FBIS DAILY REPORT

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MINISTRY DENIES SECRET NEGOTIATIONS WITH U.K.

PY311952 Buenos Aires TELAM in Spanish 1745 GMT 31 Jul 82

[Text] Buenos Aires, 31 Jul (TELAM) -- The Ministry of Foreign Relations and Worship today released a communique in which it categorically denies rumors that have been circulating about the existence of secret negotiations between our country and Great Britain seeking the lifting of economic sanctions imposed on Argentina by the government of Mrs Margaret Thatcher. The communique also reaffirms the condemnation of the colonialist position imposed by the United Kingdom in the South Atlantic.

The text of the communique released a few minutes past 1400 at the press hall of San Martin Palace, reads as follows:

In reference to press reports coming from London about alleged secret negotiations between our country and Great Britain aimed at obtaining the lifting of economic sanctions imposed on Argentina by Great Britain because of the conflict in the South Atlantic, the Ministry of Foreign Relations and Worship categorically denies any such negotiations are taking place and reiterates its condemnation of the colonialist position imposed by the United Kingdom in establishing an exclusion zone around the Malvinas Islands, the presence of a significant number of military troops and of war vessels in the archipelago and the maintenance of the aforementioned economic sanctions, the communique concludes.

COMMANDER REPORTEDLY PUNISHES OUTSPOKEN OFFICERS

PY311944 Buenos Aires DYN in Spanish 1105 GMT 31 Jul 82

[Text] Buenos Aires, 31 Jul (DYN) -- A high-ranking military source has confirmed here that all high-ranking army officers who made political remarks during the past few days have been punished by Army Commander Gen Cristino Nicolaides.

The source also reconfirmed the request presented by Gen Osvaldo Garcia, commander of the V Corps -- headquartered in Bahia Blanca -- and head of the Malvinas theater of operations, to be put on the list of retired officers, as was learned yesterday.

Regarding the punishments imposed by Nicolaides, the source stated that the same punishment will be imposed on military officers who may make no remarks considered to be "political," because this is absolutely forbidden by army rules. In most cases, these remarks referred to the Malvinas war.

The performance of the army personnel in the South Atlantic conflict is being studied by a special commission which is headed by Edgardo Calvi, commander of military institutes.

It has been announced that the commission conclusions could be learned by the second half of August and that the final resolutions on each of the cases studied could be adopted following a consideration by the army's superior assessment board.

This year the board should be presided over by current Interior Minister Gen Llamil Reston because he has seniority over the generals on active duty, and it is believed that its specific tasks -- promotions, retirement -- will conclude in September.

Former military governor of the Malvinas Islands Gen Mario Menendez during the past few hours discarded the possibility of calling a press conference at army headquarters, as assured by some journalistic reports.

"It is absolutely impossible for me now to grant interviews with reporters without the authorization of the army commander" Menendez stated, and added that Nicolaides "feels that enough has been said about my personal position."

Menendez thus referred to interviews granted last week to three current magazines of this capital on the decision to surrender to the British in Puerto Argentino on 14 June.

Menendez said in those interviews that it was not a personal decision, although he said he was convinced that it was the right decision, and added that "at no moment" did he consider commiting suicide, due to his profound Catholic convictions.

The military spokesman also said that General Garcia will be replaced by Brig Gen Julio Cesar Ruiz, current deputy commander of the V Corps who will officially assume his functions during a ceremony to be held during the next few days.

General Garcia, who commanded the military troops that recovered the archipelago for Argentina on 2 April, became the first high-ranking officer with active participation in the conflict against the United Kingdom to pass to retirement.

According to what was learned, General Garcia's request to be put on the list of retired officers was "based on solid arguments" in a report submitted to Nicolaides, the details of which could not be learned right away.

In answer to a question, it was reported at the Libertador Building that so far there are no other requests for retirement by high-ranking officers or by chiefs of units that participated in the 74-day war against Great Britain.

In another area, the source reiterated the government's denial of the existence of some kind of project to study the current power structure, especially the designation of a civilian vice president, which was thought of after the military defeat in the Malvinas Islands to help "recompose the military junta."

The source also said that speculations on the possible expansion of powers which President Reynaldo Bignone now holds, through special mechanisms prepared by the Supreme Court, are unfounded.

Both rumors were spread around the middle of this week in this capital, but they were denied by Presidential Spokesman Eduardo Maschwitz first, and now by military sources.

Denies Internal Problems

PY302254 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2035 GMT 29 Jul 82

[Excerpts] San Miguel de Tucuman, 29 Jul (NA) -- Army Commander in Chief, Cristino Nicolaides asserted today that "there are no internal problems" in the army. Moreover, he dismissed all rumors in this regard on remarking that "those who talk of alleged movements within the army are unaware of the real situation."

Elsewhere, he said he was in favor of speeding up elections, and he added that the possible reconstitution of the military junta might "take some time." Moreover, he dismissed the possibility that compulsory military service might be supressed, and he stated that he is the "only person responsible" for the measures taken to achieve the country's institutionalization in 1984."

Nicolaides made a statement to the press at the end of a visit he paid to the 19th Infantry Regiment station in San Miguel de Tucuman, where he met with officers of the military high command and of the 5th Infantry Brigade's general staff.

Nicolaides, who had lunch with the servicemen, said during his meeting with the press that the country is experiencing "a period of economic transition."

Nicolaides said he was confident that the measures taken by the executive branch will "rapidly resolve the effects of the economic situation" the country is experiencing, "especially those problems brought about by the increase in the cost of living and its effect on the people."

Nicolaides also asserted that the army "is composed of Argentine citizens from all social classes, and therefore it perceives the problems experienced by all the citizens through its own members."

Nicolaides delivered a written report to the press representatives through the local military authorities. This report contained his reply to some questions tentatively put to him by members of army headquarters. Since this procedure raised some objections on the part of the journalists, Nicolaides agreed to meet with the journalists to talk directly with them. On this occasion, Nicolaides reasserted some of the points included in his written report and he referred to some other issues.

Nicolaides said that "the compulsory military service will not be suppressed." He added that the military service "will continue to exist" but he conceded that some "general amendments" are being studied in light of the experience of the conflict with Great Britain.

Concerning the announcement made by Interior Minister Llamil Reston on the possibility that the elections scheduled for 1984 might be held earlier, Nicolaides said that those questions must be cleared up by the interior minister himself. However, he expressed his belief that it is "correct" that the country's institutionalization should be achieved as soon as possible, and he said that the national reorganization process will conclude with the handing over of the administration to a constitutional government at the beginning of 1984.

Concerning alleged internal problems within the army, Nicolaides said that "those remarks are being made by persons who are unaware of the real situation."

"There are no internal problems within the army, and anyone who talks of alleged movements within it is unaware of the real situation," Nicolaides added. Moreover, he invited those who make such allegations to accompany him during his visits to the various units so that they will be able "to see the spirit of the officers and soldiers for themselves."

THREE LETTERS ON FALKLANDS SUBMITTED TO UN

PY301850 Buenos Aires TELAM in Spanish 2215 GMT 29 Jul 82

[Text] United Nations, 29 Jul (TELAM) -- Three letters submitted to day by the UN Argentine mission to the UN General Assembly and the Security Council are circulating as documents of those UN organizations.

Ambassador Arnaldo Listre, in a letter addressed to Ismet Kittani of Iraq, president of the UN General Assembly, "reiterates once again the position (of the Argentine Government) regarding (Argentina's) irrefutable rights over the Malvinas, South Georgia and South Sandwich Islands," setting out in detail the Argentine interpretation that the principle of self-determination, which has been reaffirmed by the United Nations, cannot be applied in the particular case of the Malvinas Islands.

Ruth Guevara Achaval -- currently temporarily in charge of the UN Argentine permanent mission -- has delivered, with a note to the president of the UN General Assembly, a copy of the letter sent by Argentina to Gaston Thorn, president of the EEC commission in Brussels, protesting the emergency aid for the Malvinas Islands granted on the request of Great Britain saying that this is an inadmissible interference which could be interpreted as a political definition on the matter of sovereignty over the islands in dispute.

In another letter, Guevara Achaval conveyed to the president of the UN Security Council -- who during July is Guyanese Ambassador Noel Sinclair -- that Argentina has rejected the measures announced by Great Britain on a modified exclusion zone around the Malvinas Islands The letter says that "as shown by the attitude assumed by Great Britain, there is no final cease-fire in the zone but only a de facto suspension of it. The resulting situation... can only lead to a genuine peace if Great Britain eliminates the military and economic measures it has adopted and agrees to negotiate with the Argentine Republic, within the UN framework and in accordance with the appropriate resolutions, a final solution to the dispute."

LA NACION HAILS RESULTS OF SELA MEETING

PY312028 Buenos Aires LA NACION in Spanish 30 Jul 82 p 10

[Editorial: "SELA and Regional Solidarity"]

[Text] The first meeting of the support group for the Argentine Republic, as an organ within the SELA, took place in Buenos Aires and the Argentine president delivered the opening address.

Negotiations in that forum, as well as in other regional forums, were initiated in the wake of the situation created by the actions taken to reassert Argentine rights over the archipelago in the South Atlantic, and the hallmark of such negotiations has been the unminded solidarity given to our country.

The ideas expressed by the president, with clarity and without euphemism, have been ratified in the agreements concluded by the meeting's participants. The support that members of the region must provide in similar situations as the one Argentine experienced was thus explicity recognized.

The SELA pronouncements refer to different aspects. On the economic aspect, the commitment by member states to give Argentina assistance in emergency situations such as the one created by the coercive measures adopted by some industrialized countries was reiterated; and other measures are contemplated such as the promotion of intra-Latin American trade; tariff agreements to invigorate that regional trade, its financing and payment; expansion of sea, land and air transport; and insurance and reinsurance. All of this will be combined with actions of express solidarity with our country in international forums. These pronouncements are meant as recommendations for the appropriate SELA organ -- the Latin American Council -- and for the system secretariat, whichever the case calls for, to carry forward the resolutions of those pronouncements.

Agreement number 2 goes even farther. Its purely political nature endorses a thesis of cogent currency in view of the experience of the recent past. It deals with "the unacceptable and illegitimate application of coercive measures in pursuit of political objectives, in outright violation of express provisions of the UN Charter and other international legal documents of regional of multilateral nature, because such measures are arbitrary and detrimental to the normal development of international relations."

That was the result of the analysis of topic 4 of the meeting's agenda, a result drawn from the experience in the recent past and capable of giving effectiveness to the concept of collective self-defense of Latin America.

The sanctions imposed on Argentina by the members of the EEC in violation of GATT rules implied an unjust and serious setback for North-South relations, besides carrying the stigma of having been imposed in support of colonialism.

Therefore, there is an urgent need to streamline the decisionmaking process within the SELA framework to give priority to the continual improvement of regional solidarity, particularly in cases of illegal arbitrary economic coercion.

This position presupposes well-thought out defensive and dissuasive strategies. It is up to the Latin American Council to approve those strategies so as to ensure the necessary levels of collective economic security.

The assessment of the South Atlantic crisis in the Argentine president's speech has had concrete repercussions in the decisions and recommendations made by the SELA support group. Therefore, just as General Bignone pointed out, the question has been placed in the appropriate political context so as to make possible real advances toward the objectives of cooperation and integration.

The Latin American republics must act jointly to assert their collective personality. Just as or more than other regional groups, these countries now have the basis for claiming an identity that has gone unrecognized until now. That sentiment of solidarity has not been missing, to be sure, but actions have not been sufficiently effective or have not been properly taken.

The Malvinas problem has served as a limelight for bringing into view a reality that needs correction by eliminating or overcoming errors. The meeting of the support group constitutes a testimony of how much can be accomplished within SELA and it set the example for other forums.

BRIEFS

EVNOY FOR BEAGLE NEGOTIATIONS -- Buenos Aires, 28 Jul -- The executive branch has designated Ambassador Carlos Alberto Ortiz de Rozas as the chief of the Argentine special mission to the Holy See for the negotiations with Chile over the Beagle Channel dispute, which was created through Decree No 76 dated 12 July 1982. [Buenos Aires TELAM in Spanish 2145 GMT 28 Jul 82 PY]

GROSS DOMESTIC PRODUCT DROP -- Buenos Aires, 27 Jul -- The gross domestic product dropped by 5 percent in the second 3-month period of 1982. [Buenos Aires NOTICIAS ARGENTINAS in Spanish 2038 GMT 27 Jul 82 PY]

CREDIT LINE FOR PERU -- Buenos Aires, 26 Jul -- Peruvian Ambassador to Argentina Guillermo Hoyos reported today that Argentina has granted Peru a $340-million credit line. He said that $300 million of the credit line may be used for the purchase of capital goods and the remaining $40 million for foodstuffs. [Paris AFP in Spanish 2137 GMT 26 Jul 82 PY]

PRESIDENT REITERATES GOVERNMENT INTENTIONS

PY310205 La Paz Cadena Panamericana in Spanish 0000 GMT 1 Aug 82

[Text] The national government of the armed forces wants to maintain a dialogue seeking understanding among Bolivians and seeking an appropriate solution to the political problem the country is confronting now, the president, Gen Guido Vildoso Calderon, said. The president then added that the maintenance of peace is important whatever its cost, for the benefit of the Bolivian community which is stoically bearing up under the present economic crisis.

[Begin Vildoso recording] Furthermore, I also consider the participation of all leaders and all the Bolivian people necessary to pull out of this economic, political and social crisis in which we Bolivians find ourselves. I do not believe that it is only up to the armed forces, and so I call on all Bolivians so that we can move forward together. [end recording]

President Vildoso reiterated that the government, by mandate of the armed forces, will undertake in a responsible manner until its completion the process of institutionalization and democratization of the country. General Vildoso affirmed yesterday that the government will be turned over to whoever wins the elections to be held in April next year.

[Begin Vildoso recording] On this point the position of the armed forces to hold elections is firm. [end recording]

Asked by the press, General Vildoso replied that his government is involved in the task of drawing up an emergency economic plan in order to cope with the current crisis.

[Begin Vildoso recording] We are indeed involved in studies and work in the Finance Ministry, without a deadline, and I am waiting for the finance minister to bring me the plan so that I can take it to the cabinet and then implement it. As we have announced, however, some price control measures, particularly in the [word indistinct], will be enforced by the municipal government beginning tomorrow. [end recording]

President Vildoso then told our correspondent that he is preparing his trip to Bogota, Colombia.

WILLINGNESS TO TALK TO 1980 CONGRESS SUPPORTERS

PY301630 La Paz Cadena Panamericana in Spanish 1130 GMT 30 Jul 82

[Text] The government of the armed forces is willing to meet with representatives of political parties which advocate the return of the congress elected in 1980. These remarks were made by Vice Adm (Pammo Alos) to representatives of the national press.

The high-ranking military official said that the government is willing to talk and that anyone wishing to do so only has to contact government officials.

He also said that there is a need for unity of opinion of all Bolivians in view of the country's current situation. He then emphasized that if the talks are held, they will be held at the highest level in order to listen to all suggestions and opinions. He also said that during President Vildoso Calderon's absence, the junta of commanders will be in charge of the government.

GARCIA MEZA TALKS ON POSSIBILITY OF RETURNING

PY301528 La Paz Cadena Panamericana in Spanish 1130 GMT 30 Jul 82

[Text] Gen Luis Garcia Meza, former Bolivian chief of state, stressing that he was not joking said that he is ready to return as commander in chief of the armed forces if the 1980 congress is reconvened. During a conversation with Panamericana on this matter he said:

[Begin recording] Well, as I said [words indistinct] play with someone, I have never played with anybody, nobody can play with the country [words indistinct] a joke, I am not joking, I am serious; this is what is going to happen. If the 1980 congress is reconvened, I will also have to return because I was designated by a government which was according to them institutional or constitutional, I will then have to return. [end recording]

Asked about the current military government headed by Guido Vildoso Calderon, he said:

[Begin recording] I am not saying anything, no comment. It is the armed forces, my institution and I have to be respectful of the chain of command and the regulations. [end recording]

Gen Luis Garcia Meza emphasized that the political power is going to be handed over through elections to be held in accordance with the schedule established by the armed forces.

[Begin recording] [words indistinct] We are going to hand it over through elections. This is the way it should be; everything has to be normal; we cannot mishandle things. [end recording]

SILES ZUAZO REJECTS CONVENING 1980 CONGRESS

PY020140 Paris AFP in Spanish 1712 GMT 1 Aug 82

[Text] La Paz, 1 Aug (AFP) -- In a written statement distributed today in La Paz, the top leader of the Bolivian opposition and winner of the last three elections that have been held in the country, Hernan Siles Zuazo, who resides in Lima, Peru, rejected the possibility of supporting the immediate convocation of the 1980 congress (the majority of which offered to install him as chief of state on 6 August 1982).

The document's main objective, he indicates, is that of rejecting the publications of the departmental committees of his party, the Nationalist Revolutionary Movement of the Left (MNR-1), which have the intention of spreading confusion, knowing that the demand for elections on 5 December 1982 is a theoretical position.

The statement also points out that Siles Zuazo fully supports his representatives in Bolivia, Mario Velarde Dorado and Felix Rospigliosi, who have maintained a consistent attitude in the country since the 17 July 1980 coup.

Despite the position of several MNR-1 leaders, who support the convocation of the 1980 congress, they have maintained on occasion that Velarde Dorado sought asylum in the Mexican Embassy a few days after the coup.

BRIEFS

UNDER SECRETARIES CONFIRMED -- The under secretaries of urban development and housing, (John Connally) and (Carlos Riera) have been confirmed in their positions by the minister of urban development and housing. [La Paz Radio Illimani Network in Spanish 1700 GMT 28 Jul 82 PY]

FSB SECRETARY GENERAL RESIGNS -- (Antonio Angel Jimenez), secretary general of the Bolivian Socialist Falange, resigned from his post yesterday through a brief note presented to the leaders of the political group. [La Paz Cadena Panamericana in Spanish 1130 GMT 28 Jul 82 PY]

JAPANESE CREDIT -- The Japanese Government will grant a credit for $22,176,000 to Bolivia for the renovation of the railroad system between (Impia) and Robore according to Foreign Ministry officials. The loan will be made official today with the signing of documents by Foreign Minister Agustin Saavedra and the Japanese ambassador to Bolivia. [La Paz Radio Illimani Network in Spanish 1100 GMT 29 Jul 82 PY]

FOREIGN MINISTER ON CONFLICT WITH ARGENTINA

PY302041 Santiago Domestic Service in Spanish 1730 GMT 30 Jul 82

[Text] Foreign Minister Rene Rojas Galdames has stated that Chile has never lost faith in the pope or in Cardinal Samore. He made this statement when he was asked about the latest negotiations carried out by the Chilean delegation to the Vatican's mediation process.

The foreign minister discussed this issue a few hours before leaving for Brazil where he was officially invited by his Brazilian counterpart Ramiro Saraiva Guerreiro. The minister said that although it is true that the Chilean Foreign Ministry is studying the Chilean interests and that other studies are being made to present the case to the international court, the papal mediation is still viable. We have never thought about abandoning the mediation, he added. The foreign minister also referred to the visit of two Argentine diplomats who presented a specific proposal on the Malvinas conflict. He said that they want this subject to be discussed at the next UN session.

Rojas said that he will report about this to the president of the republic and that only then will there be a decision on the position to be adopted. He said that the Argentine delegates want the two parties -- Argentina and Great Britain -- to sit at a negotiating table to find a peaceful solution to the conflict.

In any event, the foreign minister stated, this proposal is in line with the Chilean proposal of finding a peaceful solution to conflicts.

ARGENTINE ENVOYS SEEK SUPPORT ON FALKLANDS

PY302113 Santiago Domestic Service in Spanish 1730 GMT 30 Jul 82

[Text] Argentina has asked Chile for its support to include the Malvinas issue in the next UN General Assembly. For 2 and 1/2 hours President Reynaldo Bignone's envoys -- Arnaldo Listre, director general of San Martin Palace, and Eduardo Dumont, director of the America department -- talked with Foreign Minister Rene Rojas Galdames.

During the meeting the two Argentine envoys briefed the Chilean foreign minister on a Mexican initiative. It consists of presenting the Malvinas conflict to the UN regular session, which will begin on 21 September.

At the end of the meeting Arnaldo Listre talked to the press and said that the meeting was very cordial.

[Begin Listre recording] We have briefed Foreign Minister Rojas Galdames on the Mexican initiative. We gave him a copy of the note about introducing the issue, which the Mexican Foreign Ministry has already been circulating in other Latin American foreign ministries. And I cannot deny our hope that Chile will also go along with other Latin American countries. [end recording]

Mexico must present this initiative 30 days in advance of the meeting, that is, by 22 August. If it is accepted, the General Assembly will decide whether this problem should be treated by the fourth commission.

Listre said that his country would look favorably on Chilean support. Asked his opinion on the Chilean initiative to establish a compulsory system to resolve conflicts peacefully, he stated that Argentina has always been for a peaceful solution of conflicts.

Asked whether Buenos Aires would seek other than diplomatic solutions to the conflict with Chile, Listre stated: [Begin Listre recording], Chile can rest assured that Argentina will continue to seek a peaceful solution to the conflict. In the past we have had more serious conflicts, more important border problems, and we have solved them peacefully. This precedent must serve to reestablish relations between Argentina and Chile.

Regarding the use of force by Argentina in the Malvinas Islands, Listre said Argentina used force in the Malvinas Islands in response to Great Britain's threat to use force. Great Britiain sent a war ship, threatening to evict Argentine workers from the South Sandwich Islands. These workers were there with all the legal documents and in compliance with the agreements in force at that moment, agreements which have been in force since 1971 between Argentina and the United Kingdom. [end recording]

Listre voiced guarantees that the current conflict between Chile and Argentina will be solved peacefully. He said that Argentina as well as Chile has full confidence in the mediation of Pope John Paul II.

RUMORS DENIED ON MOTIVES OF AID TO ARGENTINA

PY301705 Paris AFP in Spanish 0220 GMT 30 Jul 82

[Text] Santiago, 29 Jul (AFP) -- A high-ranking Foreign Ministry official stated here today that the aid that Chile rendered to Argentina during the Malvinas conflict did not seek to break the blockade imposed on its neighbor country by Great Britain.

A rumor circulating in Buenos Aires indicates that this was the objective of the help provided by Chile. It is reported that Chile acted as a transshipment point for Argentine products in order to circumvent the blockade. In addition products were stored in Pacific port customs offices from where they were then shipped.

Chile has not provided any help to break anything. That rumor obviously does not reflect what Chile really did, Andres Concha, director of the Foreign Ministry Economic Relations Department, stated.

Concha added that in addition to contributing to an emergency situation created by the South Atlantic conflict, the objective of these measures was to intensify trade with Argentina.

BRIEFS

FOREIGN LOAN CONTRACTING -- Chilean banks and financial institutions will be entitled to contract loans abroad in order to grant loans on the local market in Chilean pesos. These loans will be subject to fluctuations in the foreign currency in which the loan was contracted. [Santiago TERCERA DE LA HORA 14 Jul 82 p 5 PY]

UNPAID LOANS INCREASE -- Unpaid loans in the Chilean financial system have increased by over 100 percent in 1 year. In April 1982 unpaid loans amounted to 44,611,000,000 Chilean pesos ($1,144,000,000), while in April 1981 they amounted to 20.0 billion Chilean pesos ($513 million). [Santiago TERCERA DE LA HORA in Spanish 14 Jul 82 p 4 PY]

PRESIDENT ROYO'S RESIGNATION LINKED TO FALKLANDS

PA302310 Paris AFP in Spanish 2221 GMT 30 Jul 82

[Text] Bogota, 30 Jul (AFP) -- Following his sudden resignation this afternoon, Panamanian President Aristides Royo was described in Bogota today as "another victim of the Malvinas" issue.

International anlaysts in Colombia said that Royo's fall was "a consequence of the aggressive position he took against the United States and the European nations following the conflict in the South Atlantic."

They noted that Panama and Venezuela, from which the former Panamanian president had just returned today, came out as the most belligerent nations in the area when the war between Argentina and Great Britain broke out.

This conduct apparently produced a reaction from the moderate sectors that control Panama's National Guard, which is the real power center in that country," said analysts interviewed by AFP today.

Commenting on the surprise resignation and the dismantling of what they described as "Royo's aggressive anti-U.S. and pro-Cuban policy," they said: "The heads of state of other countries who seem to be following Panama's footsteps had better watch out. The Malvinas case may continue to produce victims."

Meanwhile, some Colombian political leaders, when questioned about what they regarded as "a virtual overthrow of President Royo" said that "this is a harsh blow to Nicaragua, a country that has demanded sovereignty over the San Andres and Providencia" Islands.

Meanwhile, the Colombian Foreign Ministry has remained silent about Royo's resignation, its spokesman saying only that "we are analyzing the situation."

Royo was one of the four Latin American presidents who had confirmed that they would attend the inauguration of conservative President Belisario Betancur on 7 August in Bogota.

Foreign Minister Jorge Illueca, Government Minister Eduardo Ritter and other Panamanian personalities were slated to arrive with Royo.

TERRORIST ATTACKS ON GOVERNMENT OFFICIALS

Attorney General Uninjured

PA301546 Paris AFP in Spanish 2159 GMT 29 Jul 82

[Excerpt] Bogota, 28 Jul (AFP) -- Colombian Attorney General Guillermo Gonzalez Charry was the victim of a dynamite attack by unidentified individuals at noon in downtown Botota. Gonzalez Charry, who was not injured, said that "this happened because I have strictly fulfilled the Constitution and the law."

In his 4 years as attorney general, Conzalez Charry has undertaken a particularly intense campaign against cocaine and marijuana traffickers. He was the victim of a dynamite attack today as he was en route to his home to have lunch along with two other officials of his office.

The right fender of the automobile in which they were traveling was damaged and the windows of nearby stores and offices were broken.

Eyewitnesses said that a young man wearing a white shirt was responsible for the abortive attack.

The Bogota police have neither arrested nor identified the individual responsible for the terrorist act which occurred when downtown Bogota was filled with people going to lunch.

Minutes after the attack the attorney general told the press that "fortunately both I and the officials traveling with me are perfectly well."

Congressman-Elect Shot

PA311903 Bogota Radio Santa Fe in Spanish 1730 GMT 30 Jul 82

[Text] Pereira -- (Cesar Gutierrez Sanchez), congressman-elect and current Rizaralda Assembly deputy, was shot three times and killed by an unidentified group. The attack was perpetrated at the (Zoria) farm in the jurisdiction of Rizaralda, 15 km from the city of Pereira, by several people who were carrying revolvers, carbines, pistols and submachineguns. Once they had killed (Gutierrez Sanchez), they fled the area.

Rizaralda police deparment sources said that the victum was shot with a carbine, a submachinegun and a revolver. The congressman's driver, (Arley Sanchez), was wounded. Military intelligence services are now carrying out special investigations to determine the identities of the killers. They noted that they have good clues.

GOVERNOR REPORTS BORDER CLOSURE BY ECUADOR

PA311916 Bogota Radio Santa Fe in Spanish 1730 GMT 30 Jul 82

[Text] Pasto -- Governor Leonor Ortiz de Nicole reported that the border between Columbia and Ecuador was closed today because of the intransigent stand taken by Ecuador's authorities. The regional governor expressed regret at a decision made by the authorities in the Ecuadorean town of Tulcan forbidding Colombians to enter that country as of yesterday. She explained that the bonanza that Ecuador is experiencing because of the devaluation of the sucre has led the authorities to close the border to Colombians.

The governor described this situation as absurd, adding that the two countries' import and export traffic has been hindered, with serious repercussions on the two nations' economies. She explained that because of the devaluation, the sucre and peso are of almost equal value in Ecuador, which allow Colombians to buy food and other products made in that country. The governor has requested that the Colombian Government find solutions to this problem through diplomatic means. She also noted that this situation breaks the traditional brotherhood between Colombians and Ecuadoreans and described the border closure as inconvenient.

AGREEMENT WITH USSR ON HYDROELECTRIC PROJECT

PA011601 Bogota Domestic Service in Spanish 2330 GMT 29 Jul 82

[Excerpt] Bogota -- Today President Julio Cesar Turbay Ayala again defended the principle of nonintervention in internal matters of other countries. He said that we do not want direct, indirect or any other type of intervention, and we trust our destiny to the Colombian people's ability to decide.

The president spoke today at noon at the Narino Palace after a credit agreement for the USSR to supply electrical and technical equipment to the Urra hydroelectric plant was signed. President-Elect Belisario Betancur also signed as a witness of honor.

The president said: I cannot deny that in the beginning many people were afraid that the arrival of technicians and other personnel who must participate in the Urra dam construction would cause some political feelings that would not be good for the development of the program as well as the relations between the two countries. He added later that this project is beyond suspicion and its continuity is ensured.

During his campaign and responding to information he had on the subject, Betancur had said that he would not support the hydroelectric project. However, it was made public that, after demonstrating his understanding and his desire to serve the country in the best possible way, Betancur said that he would support the project as its founders and promoters support it.

FOREIGN MINISTER REGRETS ROYO'S RESIGNATION

PA311450 Paris AFP in Spanish 0243 GMT 31 Jul 82

[Text] Quito, 30 Jul (AFP) -- The Ecuadorean Government, through its Foreign Ministry, expressed regret at Panamanian President Aristides Royo's resignation and stated its sincere wish that that country's democratic institutions will be strengthened.

Ecuadorean Foreign Minister Luis Valencia Rodriguez, on learning of Royo's resignation, said that Royo has always been Ecuador's friend. He recalled that Royo visited Ecuador several times and that he signed the "charter of conduct" in May 1980 in Riobamba, 220 km south of Quito, with Jaime Roldos Aguilera's government.

Foreign Minister Valencia expressed his sincere wish that Panama's democratic institutions will be strengthened, within a framework of individual freedom, social justice and respect for man's fundamental rights.

HURTADO ASKS PEOPLE FOR SUPPORT AGAINST FOES

PA310346 Quito Voz de los Andes in Spanish 1130 GMT 30 Jul 82

[Text] During the ceremony to inaugurate the electric station at La Libertad parish, in Santa Elena peninsula, which will connect 35 peasant communities in the area with the rural electrification network, President Oswaldo Hurtado Larrea asked the Ecuadorean people not to allow themselves to be deluded by the false predictions of certain politicians. He said:

[Begin recording] The people of La Libertad, of Santa Elena peninsula, are present here today to tell our enemies that they will not allow themselves to be deceived by the campaign of infamy and slander and that they are united with the Ecuadorean people, the popular government and democracy. [end recording]

During an unusual speech in Guayaquil, Hurtado asked for the people's support against what he described as slander by the losers of the last presidential election. During his fiery speech in Santa Elena, the president said that, like several months ago during the election campaign, we are confronting the same forces you defeated at that time at the polls. Today, with the help of the Ecuadorean people, we will defeat them again because they do not know that when the people become organized, mobilize and fill the squares and the streets, nobody can face up to them, nobody can defy them.

ARMED FORCES DENY INVOLVEMENT IN ROLDOS' DEATH

PA302012 Quito Cadena Ecuador Radio in Spanish 2300 GMT 28 Jul 82

[Communique to the nation issued by the Armed Forces Joint Command in Quito on 28 July -- read by announcer]

[Excerpt] For the last few days, the citizens have been hearing through the media of statements and opinions -- apparently politically-oriented or of a personal nature -- that refer, directly or indirectly, to this military institution, slandering its dignity and tarnishing its respectable image.

It is being said that the accident in which former President Jaime Roldos Aguilera and those accompanying him died was due to a plot in which the high military command was involved. This accusation is highly imprudent and fallacious, and the armed forces firmly reject it, since it is ill-intentioned and disregards the high moral standards of Ecuador's military men, who serve the country through the armed forces.

HOY COMMENTS ON U.S. AMBASSADOR'S REMARKS

PY312057 Asuncion HOY in Spanish 31 Jul 82 p 10

[From the 'Entre Lineas" column; quotation marks as published]

[Text] "The newly designated U.S. Ambassador Arthur Davis never thought that he someday would be ambassador to our country. He said it himself yesterday on arriving at the international airport. He recalled that he learned about Paraguay and developed an affection for Paraguayan things when his son Arthur was here in 1975 as member of 'the friends of the Americas.' But he never thought that he would be designated personal representative of President Ronald Reagan and of his government, as the ambassador himself stated. He also promised an extensive talk with the members of the press, a promise which was well received, of course."

(The anecdcte told by the newly arrived U.S. ambassador surprised everyone at the airport).

CENTRAL BANK REPORTS ON ECONOMIC SITUATION

PY301255 Asuncion ULTIMA HORA in Spanish 28 Jul 82 pp 8, 9

[Excerpt] According to the first paragraph of the "summary of the economic and financial situation in 1981" prepared by the Paraguayan Central Bank, in 1981 the domestic economy was affected by worldwide recession and the abrupt devaluations of currency in neighboring countries.

The document deals with the various aspects of economy and finance and its main conclusions are set forth as follows:

Public investments increased by 18.5 percent in 1981, thus surpassing the 8.5 percent increase of 1980. On the other hand, private investments that grew by 21.7 percent in 1980, declined to only 10.4 percent growth in 1981. The increased public investments were financed from budgeted funds and foreign financing.

The consumer price index increased by 14 percent, a considerable reduction from the 22.4 percent increase in 1980. The main reason for this reduction is a smaller growth in prices of foodstuffs that increased by a moderate 6.5 percent as compared to 19 percent in 1980.

The workers salaries increased by 20 percent in 1981, that is a little less than the 23.3 percent in 1980. The minimum wage increased by 15 percent in 1981.

Further on the Paraguayan Central Bank stated that "the expenditures surpassed revenues budgeted for 1981 by 6.282 million guaranies, unlike the 2.923 million surplus of 1980. Revenues increased by 14 percent while expenditures grew by 32 percent. In addition to the budget deficit, the national treasury made reimbursable financial investments amounting to 7.458 million guaranies."

Meanwhile, the issuance of currency did not grow at the rate of the 4 years preceding 1981, but remained at the 1980 level, experiencing a slight reduction of 0.2 percent.

The foreign debt increased by $87.7 million equal to 10.2 percent of the total foreign debt which reached $945.6 million by 31 December 1981. This amount does not include the unused loans amounting to $692.3 million which will be used in the course of approximately 3 years. New foreign loans and credits for $415 million were contracted in 1981 of which $182.8 million were used. At the same time, six loans totalling $7.7 million were paid off in 1981.

MARGARET THATCHER EXPRESSES THANKS FOR SUPPORT

PY310210 Montevideo Radio El Espectador Network in Spanish 1600 GMT 30 Jul 82

[Excerpts] As was reported from Government House, British Prime Minister Margaret Thatcher has expressed her gratitude to the Uruguayan Government for the humanitarian aid Uruguay gave during the Malvinas conflict.

UK Ambassador Patricia Hutchinson delivered a personal letter from Margaret Thatcher to President Gregorio Alvarez this morning.

According to what Ambassador Hutchinson told El Espectador, the traditionally good Latin American-British relations are being gradually restored.

DECREE AUTHORIZES POLITICAL PARTY ACTIVITIES

PY310245 Montevideo Radio El Espectador Network in Spanish 1600 GMT 30 Jul 82

[Text] Our correspondent accredited to Government House has reported that the government has just approved the rules governing the recruiting activity of political parties carried out in preparation for internal party elections.

The authorization for holding public meetings and for making preelectoral advertising campaigns through the media beginning in September is contained in a decree on political activities signed by the executive branch at noon today.

The 8-clause decree stipulates that the political groups will be entitled to hold meetings with their members in the party's headquarters. Police authorization will be necessary for holding meetings in closed places with the participation of the general public.

Public meetings in open or public places will be held with 60-days advance notice as of the end of September 1982, provided that express police authorization is obtained prior to the meeting. This authorization will have to be applied 72 hours before the meeting by 3 citizens who will have to present their identity cards and give their full address, along with all the details of the meeting.

Applications for authorization to open political and electoral clubs will have to be made at departmental police precincts. To this effect, the following will be needed: the club's full address; the designation of three persons responsible for the club, each of whom will have to give his full address and his identity card number; a certificate from the electoral court acknowledging compliance with Article 58 of the Political Parties Law.

Campaign advertising will be unrestricted beginning today, and it will have to cease 24 hours before the elections are held.

However, the decree bans signs and posters containing slogans from being posted in public places, except for those exceptions duly authorized by the competent authority.

Loudspeakers placed in the streets will be used only 60 days before the internal elections are held, and it will be done so in the way, under the conditions and at the times determined by the competent authority.

Similarly, the decree forbids posting campaign material in buildings, offices, on vehicles and in other state-owned property.

The decree concludes that the police will be entitled to suspend the activities of a club if these are found to disrupt public order and peace. The electoral court will be entitled to withdraw the authorization given to that group to participate in the internal elections should the group resume its disruptive activities.

ACTING DEFENSE MINISTER DENIES BORDER CLASHES

PA301555 Caracas Radio Rumbos Network in Spanish 2100 GMT 29 Jul 82

[Text] The acting defense minister, Gen Maximiliano Hernandez Vasquez, has said that no armed clash was reported during the incident which occurred at the border with Colombia. General Hernandez Vasquez confirmed that Venezuelan soldiers got lost in the area and inadvertently entered Colombia. He added that the problem was resolved in a friendly manner when the Colombian authorities informed the soldiers that they had gone beyond their territory.

The acting defense minister said that there was no armed clash, but there was understanding among the two groups. He added that the border relations between Venezuela and Colombia could not be better. In conclusion he said that these relations are carried out with brotherhood and understanding.

Meanwhile, Interior Minister Luciano Valero has confirmed that the government is investigating the incidents that occurred on the border with Colombia recently. He stressed that an investigation is underway to determine what actually happened.

However, he added, relations between Colombia and Venezuela will not be affected by any such incident. These incidents are of no importance because the relations between the two countries are extraordinary.

In conclusion, Valero said that the pertinent investigation is underway.

DEMOCRATIC ACTION ANNOUNCES PRESIDENTIAL CANDIDATE

PA301942 Paris AFP in Spanish 2316 GMT 29 Jul 82

[Text] Caracas, 29 Jul 82 (AFP) -- Tonight, Jaime Lusinchi, candidate for the Venezuelan presidency, promised the labor unions participation in the government, as a first step in turning the Venezuelan political democracy into a social democracy. His candidacy was announced in Caracas.

By stressing that he would like to govern with "the best Venezuelan citizens, from any group of sector," Lusinchi hinted at the possibility of a coalition government that could include leftists, along with Christian Democrats or centrists.

Lusinchi was selected the candidate of his party, Democratic Action (AD), which is the main opposition party, in January. In keeping with the electoral law, however, AD waited until today to proclaim him officially before some 20,000 party activists, at a rally at the "Poliedro" in Caracas.

In the next elections in Venezuela, which will be held in December 1983, Lusinchi will be the primary opponent to the ruling Social Christian Party, which has not yet chosen its candidate.

Lusinchi promised to curb the present government's "uncontrolled spending," to initiate a "social democracy" that will strengthen the current political democracy and to incorporate the unions into the state's economic team. The state controls 60 percent of Venezuela's productive sector.

PRESIDENT OPENS VERACRUZ PETROCHEMICAL COMPLEX

PA311655 Mexico City International Service in Spanish 0200 GMT 31 Jul 82

[Text] President Jose Lopez Portillo inaugurated an industrial complex today in Coatzacoalcos, Veracruz, which is considered to be the most important of its kind in Latin America. (Federico Ortiz), director general of (Felamica) Mejicana, announced that the industrial complex' production capacity will permit the country to export 43,000 tons of hydrocarbon-based products this year. (Ortiz) also said Mexico will be able to export 94,000 tons of petrochemical products per year by 1983.

For his part, the president of the (Felamica) Mejicana administrative council reported that the petrochemical complex will make it possible to begin exports to Canada, the United States, Taiwan, Korea, Japan, China, Brazil and Peru. During his working tour of Veracruz, which will end tomorrow, the president also inaugurated the (Santicas) Airport in (Inatitlan) and other projects.

CUBA PRAISES FRENCH POLICY AT UNESCO MEETING

FL311830 Havana Domestic Service in Spanish 1100 GMT 31 Jul 82

[Text] The UNESCO conference on cultural policies has served to demonstrate the rejection of U.S. policies and ideology by the [world's] majority, Cuban Culture Minister Armando Hart Davalos has asserted in Mexico City. The Cuban leader, who heads our delegation to the important conference in the Mexican capital, said the UNESCO cultural meeting had been an appropriate setting to reiterate the charges against the arms race, to express the strongest condemnation of the Israeli aggression against Lebanon and to support the cause of the Palestinian people.

He said the governments of the Western countries should follow the sensible policies set by French President Francois Mitterrand and stated by Culture Minister Jack Lang as being in total support of Third World countries. France, said the Cuban minister, has elected to follow the path of reason and understanding in dealing with developing countries, and that is precisely what has bothered those having conservative and reactionary attitudes.

Nicaraguan Statement

FL301725 Havana Domestic Service in Spanish 1400 GMT 30 Jul 82

[Text] Mexico City -- Nicaraguan Culture Minister Ernesto Cardenal has asserted that Latin America has changed and now stands more united after the Anglo-American aggression in the Malvinas Islands. Cardenal, who is attending the UNESCO conference on cultural policies, said in a press conference that Latin America has broken away from the United States and as a matter of fact in this conference, where the group of Latin American nations had been divided, it had demonstrated unity, he stressed.

Cardenal noted and supported the recent statements by Panamanian President Aristides Royo, who said that the upcoming OAS foreign ministers conference should include Cuba and exclude the United States.

Support of U.S. Attacked

FL301658 Havana Domestic Service in Spanish 1400 GMT 30 Jul 82

[Text] Mexico City -- Cuba has rejected Italy's statements at the UNESCO conference regarding France's criticism of U.S. financial and cultural imperialism.

French Culture Minister Jack Lang's speech in the first full session of the conference got a reaction from the U.S. delegation, which in turn received support from the Italian, British and West German delegations.

One of the two Italian delegation chiefs, Deputy Foreign Minister (Raffaele Costa), circulated a note in the plenary meeting indicating that his country could not align itself with the French position, which revealed signs of sympathy for Castro and was designed to gain easy acceptance in the Third World.

The Cuban delegation, headed by Culture Minister Armando Hart Davalos, circulated a note in response pointing out that (Costa's) concepts had been received with surprise. The note added that Cuba could not accept that the development of friendly relations with Cuba and with underdeveloped countries in general could be called a censurable act. The note also stated that Cuba has many friends in Italy and it could not understand [Costa's] statements, much less when it comes from a high-level official of a country with which Cuba has a cultural agreement and is maintaining normal friendly relations of mutual respect.

(Costa's) charges were not in agreement with the words of the other Italian delegation chief, Vicenzo Scotti, minister of cultural assets and the environment, who, speaking to the full session, said that ties to imperialism and the dangers thereof, as stressed by the French minister, affect all peoples. Scotti added that the industrialized countries are well aware that increases in cultural benefits do not fully translate into greater freedoms or into a quality of life acceptable to mankind.

Numerous other delegations from developing countries, mainly African and Latin American delegations, supported the French minister's statements.

Other Statements

PA010041 Mexico City International Service in Spanish 0200 GMT 29 Jul 82

[Excerpts] Cuban Culture Minister Armando Hart said today that the installation of a U.S. radio station facing the Cuban coast is the start of an information war. This was Hart's interpretation of a U.S. Government announcement that it was setting up a radio station on the coast of Florida that will be called "Jose Marti." According to the Reagan administration, the station will provide entertainment for the Cuban people.

Venezuelan Culture Minister Luis Pastori said freedom, culture and democracy are not negotiable. Pastori also spoke at the conference, which is sponsored by UNESCO. He warned that the underdeveloped countries are running the risk of becoming puppets of small sectors bent on widening their spheres of influence and on dividing up outer space. Because of this, the Venezuelan delegate urged participants to place their efforts at the service of mankind's loftiest ideals, among them world peace.

(Manuel Jose Raciros), Chilean deputy minister of education and culture, said that in his country liberties have not been suppressed but have been under a certain degree of military control. This has made some intellectuals leave the country. He admitted that in 1973 some intellectuals were persecuted, but not because they were men of culture but because they were, according to him, dangerous activists and politicians.

BRIEFS

CRUDE OIL EXPORTS -- Mexico City, July 31, CANA-REUTER -- Mexico aims to raise crude oil exports 20 per cent to an average 1.5 million barrels per day (BPD) in the second half of 1982, the Natural Resources and Industrial Development Ministry has announced. In the first six months of this year exports averaged 1.25 million BPD. Crude oil accounts for approximately three-quarters of all Mexico's export income. [Bridgetown CANA in English 1706 GMT 31 Jul 82 FL]

DETAILS OF PRESIDENT ROYO'S RESIGNATION 30 JUL

Royo Resignation Speech

PA302300 Panama City Domestic Service in Spanish 2117 GMT 30 Jul 82

[Speech by President Aristides Royo from the presidential palace -- live]

[Text] Messrs Ricardo de la Espriella, Jorge Illueca, Luis de Leon Arias, Commander in chief of the National Guard, President of the Supreme Court, distinguished colonels and lieutenant colonels of the National Guards, ministers of state, directors of autonomous organizations, ladies and gentlemen, friends, newsmen:

Today we present our irrevocable resignation as president of the republic. We do so solely for reasons of health. For several months we have been suffering a very severe throat ailment, as a result of which both local and foreign doctors have recommended full rest for the body and vocal chords. Although it might well be thought that the fatherland comes before health, the government and the country cannot be guided by one with health problems.

I wish to note that there were many surprised people who tried to convince me today not to make this decision. However, after listening to the explanations, they accepted and understood my reasons for making this decision.

First of all I want to express my deepest thanks to all my collaborators in government -- the ministers, the directors of autonomous organizations, the commander, officers, colonels, lieutenant colonels, NCO's and soldiers of the National Guard, the president of the National Legislative Council, the National Assembly of Corregimiento Representatives and its 505 honorable representatives and the president of the Supreme Court and its magistrates, because all of these organizations demonstrated the fullest cooperation, in accordance with the principles established in our political constitution.

To all those people, who I will not mention by name and who in one way or another cooperated with me during my term by exercising their functions, I offer my deepest thanks. To the nation's journalists, to all those people who from very humble positions expressed their cooperation, to all of the members of my security personnel, to my dear secretaries, to the personnel of the presidency of the republic, to all of the officials in the ministries and autonomous organizations, to all of the ambassadors who, from their embassies, helped us in our international tasks, to all of my friends I offer my deepest and most sincere thanks.

I would like to take advantage of this occasion to make two more points: The first is that although reasons of health force me to step down from this important position in the country, this does not mean I will no longer consider myself an active member of our revolutionary process. In any task I can carry out to benefit the process and my country, you can be sure, President de la Espriella, Vice President Illueca, members of the government, that you can count on my humble efforts.

I would also like to state that my party, the Democratic Revolutionary Party, can continue to count on my membership. It is and will continue to be my party; I owe my loyalty to it and will continue to be loyal.

Finally, I want to ask the entire country -- the National Guard, all the state institutions, the National Legislative Council, the assembly of 505 representatives, the judicial branch, all public officials and the country in general -- to give the broadest possible support to an individual who cooperated closely with me, De la Espriella, who at this moment is assuming very delicate functions. He was not only my aide but was and is a good friend, for he is a great Panamanian who, we are sure, will be able to lead the country on the paths of peace, well-being and tranquillity and who can guarantee the rights of all Panamanians. I would now like to ask for a big round of applause for a friend and great officials, Ricardo de la Espriella. [applause]

De la Espriella Statement

PA302204 Panama City Domestic Service in Spanish 2125 GMT 30 Jul 82

[Statement by President-designate Ricardo de la Espriella at the Presidential Palace -- live]

[Text] Dr Jorge Illueca; Dr Luis de Leon Arias, president of the Assembly of Corregimiento Representatives; Dr (Gonzalo Martez), president of the Supreme Court; commander of the National Guard, members of the General Staff, gentlemen:

It is a difficult moment and it is a hard moment to become president under the circumstances that prompt President Royo's resignation. We have shared 4 years together, and it is painful that his health will not allow him to complete the term he was chosen for.

I believe, Aristides, you have fulfilled your duty to the extent of your ability and will.

To the Panamanian people I say that I reiterate the sacred commitment to continue on with Torrijos' ideal of justice and benefit for the people. At the same time, I ask all the country's groups to help in order to guide the state in a good way and for the benefit of all.

We make it our commitment and obligation to hold a clean and honest electoral process in 1984 that will permit the participation of all political groups in the country. We want to ask the Panamanian people to give us their vote of confidence, to have faith that we will do everything we can to benefit them. Thank you. [applause]

General Paredes Statement

PA310018 Panama City Radio Exitosa in Spanish 2207 GMT 30 Jul 82

[Press conference by Brig Gen Ruben Dario Paredes at National Guard headquarters in Panama City -- live]

[Text] [Paredes] I would first like to ask you to let me say a few things about today's events, and then you can freely ask whatever questions you like. I would like to begin by taking advantage of the presence of newsmen to call on the conscience of the Panamanian people. Very early this morning Aristides Royo, who was president of the republic until short moments ago, and Adela, his distinguished wife, invited the senior officers of the National Guard staff, led by me, to breakfast at the presidency.

Before sitting down to breakfast, President Royo, in a very calm, courageous and Panamanian manner, and with a very honorable attitude, surprised us with his decision, made for reasons that brook no discussion. We started asking him to change his mind about his decision for the time being. But after 30 or 40 minutes, in which the president remained firm, and as his primary argument involved his health and the sacrifice of his life and of those who depend on him, his wife and children, we ended by accepting his arguments, because courtesy required it at the time.

The procedure he had in mind, and which he carried out, was to immediately present that resignation -- as he said today, an irrevocable resignation -- to Luis de Leon Arias, the president of the Assembly of Corregimiento Representatives and of the Legislative Council. Some hours later President Royo, acting through Col Roberto Diaz, delivered copies to us of the original letter he sent to Luis de Leon Arias, along with one personally addressed to me as commander of the National Guard, with a note at the end that is very human and very reflective of our friendship.

Today is very important for us. When I speak of us, I am speaking of 10,000 men, 10,000 uniformed Panamanians whom I have the honor of commanding today. Two historic events have occurred. The first is the anniversary of the death of our dear friend, chief, guide and teacher, Div Gen Omar Torrijos Herrera; and the second is that which I explained in details a few minutes ago.

On this occasion, at this moment, I would like to tell our people, our fellow countrymen, my Panamanian people, through you newsman, that we should take advantage of this opportunity to make a temporary pause in the life of the Republic of Panama. I think that it is important, for the sake of the harmony and peace -- and I will never tire of repeating that it is necessary to maintain peace and calm without diminishing the rights that each Panamanian man and woman, each student, each worker, each farmer deserves -- that in this time for reflection, each of us, in our own conscience, reaches conclusions that will prevent us from continuing to be divided, as has lately been noted, and as our friend, former President Demetrio Basilio Lakas, pointed out in a interview televised last night. Lakas said that under banners of all colors diatribe, insult, slander, offense and the questioning of the private lives of both men and women have begun to appear in the Panamanian community, and that when this happens it can only lead to division.

I believe that now, taking advantage of these coincidental events, we must go on to meditate deeply about some other things. The 1972 Constitution says in Article 2 that popular power is derived from the people, whom I wish to address. It says that this power is exercised through their government, whatever it is, whatever its leanings. It is exercised through the traditional branches; the executive, the legislative and the judicial branches, in a harmonious relationship with the armed forces.

I want to say here and for the sake of the peace that we all deserve -- both those of us who now live on this earth and those who are about to be born, because the republic belongs to those who have already been buried, those who are living and those who will be born -- I want to bring certain serious matters to the attention of distinguished President Ricardo de la Espriella, matters that are a must today: We must recognize at this time, before anything else, that Panama's democratic and constitutional life continues. Nothing can stop it. President Royo resigned today, but the vice president goes on, within the normal life of the republic and within the Constitution. There is nothing that can remove us from that path.

As the head of the armed forces, we recommend that the president maintain the democratization that has been mentioned so many times. It must be maintained at any price or cost. I hope it can be at no cost. However, this must be done in freedom and with order. The political parties that are in existence -- I am referring to those already registered, those whose registration is underway and those that are now being born, that are seeking registration -- all of them are protected by the Constitution and have the validity of the electoral laws at their service. Consequently they must be respected. The political rights of every citizen must be respected. We must culminate peacefully, in 1984, with the electoral process, clean and clear elections that admit no challenge.

We must have elections that can serve as an example. We must culminate this process with that suffrage. Let the Panamanian with the majority of the votes -- and let these votes be the final credentials -- become president of the republic, because this is the will of all Panamanians. I don't want any doubts to remain as to the process of democratization that is underway.

I would like to recommend that the president of the republic take the following measures as soon as possible: To suspend the comptroller general of the republic, to have him cease his duties and retire; to suspend the attorney general of the nation, to have him formalize his retirement, since he has already fulfilled his years of service; to suspend the work of the three magistrates of the Electoral Tribunal, all of the ministers and deputy ministers, directors of autonomous and semi-autonomous institutions, the governors of all of the provinces, mayors of the capital districts of all the provinces, and to ask all of them to resign; or better said, to place their posts at the disposal of the president and to wait for the confirmation of some and the replacement of others. All the ambassadors and all the top category consuls accredited abroad should do likewise.

All members of the Social Security board of directors must turn in their resignation within the next 72 hours. Any citizen mentioned in the comptroller's report and involved in the misuse of Social Security funds must be arrested so that honorable justice, not passioned justice, but real and fair justice, can have the last word.

An additional suggestion to the distinguished president of the three justices of the Electoral Court -- all of whom must be hondorable people, with conduct and reputations beyond reproach -- be disgnated by the opposition parties through a three-member slate, from which the executive branch will select one, at its discretion, to ensure that the preparations for the 1984 elections are as efficient as possible. It is required, for this suggestion to work, that those who are recommended be not only honorable people, of unquestionable reputation and background, but that they be completely unaffiliated with the political parties.

We hope, although we know that a great effort will have to be made, that the president of the republic and his new government will find the necessary resources to increase, no later than June or July of 1983, the salaries of all public servants who earn less than 350 balboas in order to increase their purchasing power and to enable them to deal with the high cost of living.

I would also like to send a very special, necessary and timely message to the teachers, which is that we hope that after reaching an understanding with distinguished Minister Mrs Susana Richa de Torrijos, they will find a solution and return to the classrooms. I believe -- rather, I am sure -- that the parents, the teachers and a great many people have given them a vote of confidence and that the time has come for them to reciprocate in this effort by returning to their classes, so as not to continue doing damage to the citizens who will be in charge of the republic in future. I am requesting this of them as a highly responsible man, who is very aware of the fact that we must continue to watch over peace. Peace belongs to no one but the people. Please return to your classes.

We also wish to take advantage of this opportunity to send a message to the businessmen, to the international financial center in Panama, to the men in the agricultural sector. We would like to ask them to invest everything that they feel their imaginations can turn into wealth. Make all available resources serve to reach men, make them serve to provide food, clothing and other household goods to the homes of the neediest. Resources and money in bank vaults do not represent wealth. The money in the banks represents wealth only when it reaches man and gives something to him, as well as to the owner of that money.

At the proper time, at the moment when it seems prudent to do so, we will recommend that the executive branch undertake a serious, not demagogical, review of certain laws, like the housing law. There is a strong, unfulfilled demand for apartments from young couples who do not have yet the economic potential or capacity to buy homes and who must rent housing. They have found no solution to this. This is just to cite an example. In due time we may also recommend a review of the labor code. This would not be intended to abolish it, but to have the code promote rapprochement rather than estrangement between management and labor, so that they will shake hands without effort, face to face, as Panamanians, which all of us are.

To the farmers -- large, medium and small producers, coffee growers, salt makers, low and high land horticulturists and so forth -- who often find themselves powerless due to certain problems due to certain problems caused primarily by foreign inflationary trends which result in conflicts with the consumers, and nonretribution for their and their families' efforts: We want to exhort them today to continue working the land with their heart and enrich it with their sweat because they shall be justly rewarded. They must continue producing their daily bread, because it is in the fields, not in the city, where such goods are produced. We are going to defend them, and when I say we, I refer to those of us living in the large urban centers such as Panama and Colon and other such large cities.

We must continue advancing with optimism and look ahead to the horizon with hope. The 10,000 men I command today, not only because it is a constitutional mandate but because it is proper, are determined to uphold a democracy with order. A ranking Colombian officer, who is also a distinguished intellectual, once told me: Paredes, do you know what is happening to democracy? The world today is becoming more and more difficult and is growing weaker. Democracy has a female name and everyone wants to flirt with her, not to say something else. Our democracy sometimes gets confused concerning freedom of expression. (Beleno) once said in an article that some people often use it to their advantage and use it as freedom of insult, freedom of slander. That, however is not the real freedom of expression.

When someone files charges against such an offense, then the offender seeks protection under the laws of democracy. Our democracy is just like universal democracy, which permits one to say whatever one pleases, even injuring others' reputations. That is precisely where it destroys itself, when it becomes a democracy without order. We are going t immunize our democracy against such disorders, although we believe in it and will defend it at all costs.

That is why it is necessary for all Panamanians to become aware of the need to adopt certain measures. Therefore, as of today, we will no longer permit anyone to say what he pleases over a telephone. Whoever wants to express his opinion over a radio station must go to that station and from there state his opionion. He must accept the consequences if he is not telling the truth or slandering anybody.

We are asking for the cooperation of all radio station owners, directors and managers, as well as television station owners, directors and managers, to lower the tone and put an end to all this competititon of insults, which, as our friend Lakas said, is reaching higher temperatures day by day and leading us to turbulent waters with stormy winds, similar to those of pre-electoral times.

We must be aware that our large ship is carrying a crew or 2 million, namely, the Panamanian people. If everyone fulfills his mission and his duty, especially that civic duty of fathers, brother, husband and friend -- we are not foreigners in our own land -- we will not sink in this muddy water. We will make it safely to port. However, if internally and in the midst of this storm there is confusion, as we are beginning to see it, then we will all be shipwrecked.

You know we are close to countries which could serve as examples of what I am saying. Therefore, temporarily, for 7 days, effective right now, all the newspapers in this country, whether those favoring the government or of the opposition, all, every single one, will be out of circulation for 7 days -- 7 days.

We are going to form a team of honorable Panamanians, who will be known as the Council for the Moralization of Information to the Public. They will discuss certain rules of the game at length, behind closed doors, with the owners, managers or directors of all the newspapers before they are published again. Without sacrificing freedom of information, the rules will be aimed at halting the libertinism of slander and insult. I and all the members of the general staff believe in freedom of expression, but we don't believe in slander. After 7 days they can be published again, as they were today, and let us hope we will all behave.

I would like to end this so that you can ask questions. I will ask all the men, women, mothers, young wives, girl students, and especially the Catholic Church -- I am a Catholic; I believe in God, but I also respect all the other churches and the National Guard respects all religious creeds, for us all Panamanians are equal -- I would like to ask all these souls of good will to understand this moment, to contribute in the direction of peace (?sealed) in a democracy of freedom with much order. Thank you.

[Question] General, some of the changes you have announced imply action by the National Assembly of Corregimiento Representatives. Has the national assembly been convoked?

[Answer] Yes. The president of the republic has 30 days to convoke the 505 representatives and appoint the vice president and ratify the president, appoint the comptroller and other officials.

[Question] I would like to ask you, general, why the suggestions you are making to the president of the republic were not made to President Royo. Next I would like to know that if the suggestion you are making regarding the Electoral Tribunal annuls the ruling issued yesterday in relation to the Authentic Panamenista Party and third, general, I cannot leave without expressing my concern as a newsman at the measures taken, which we hope will have wonderful results. I would like to know if the measure includes television?

[Answer] We are making the suggestion today with a change of president according to the right granted to the National Guard in Article 2 of the Constitution. We have been very quiet, observing and considering the situation. Please remember that 2 weeks ago I appeared on television. The idea was to send my countrymen something that the other newsmedia are not doing, and which they should be doing: an appeal for peace. I am a pacifist. I am recommending peace measures.

The other question about the Electoral Tribunal ruling is a legal matter. Remember that once referring to that situation, perhaps 4 months ago, I expressed my personal view as a citizen, that the ruling should favor Dr Arnulfo Arias. What has been decided afterwards is not within my competence.

[Question] We would like to know how are we going to publish the results of this news conference if newspapers are not going to be published for 7 days. I would like to know if the measure cannot be reconsidered and held in suspense while media shows and proves that it can improve. Besides, I don't think it is fair to punish sinners and innocents.

[Answer] The measure does not affect radio newscasts. I am referring to newspapers published by Editora Renovacion, S.A., ERSA, and to other newspapers like LA PRENSA, YA and LA ESTRELLA DE PANAMA. These newspapers are not going to be published for 7 days.

[Question] When does this become effective?

[Answer] As of this moment.

[Question] Won't this have international repercussions, especially when you are asking international sectors to invest? This is something that is going to have repercussions.

[Answer] If agreements are reached as to the ethical aspect of news reporting in 3 or 4 days, the papers can appear in 4 days.

[Question] I don't know, but you are the one wielding the machete and you are doing it with great strength. [laughter] I do think it would be a good idea not to be so violent in this case.

[Answer] No, there is no violence. Violence is what could occur in the country if things continue as they are.

[Question] Why don't we make improvements as we go? I think we have the capacity to reach an understanding.

[Question] What type of persons will be selected to form this committee?

[Answer] Honorable people, good people, people who love peace.

[Question] General, we are all good people.

[Answer] Christians. People with less desire to fight. People who hate the smell of blood. That is the type of people we want. One more question. You, Moreno Gongora, from YA.

[Question] According to your own words, should we understand that this government is in favor of a dialogue of national unity, a regime of national unity?

[Answer] Let us hope so. Let us hope the next president of the republic wins by a smashing majority through great national unity, no matter from what party or parties, since no matter which it is, we are all Panamanians. I think the desire of a good leader, a good politician, is to unite the majority of his fellow citizens, and when he does, good for him.

[Question] General, I would like to tell this to the people; how can I do it? [laughter]

[Question] Will this measure affect the foreign press with offices in Panama?

[Answer] Certainly not, but write positively.

[Question] Is there any recommendation in matters related to foreign policy?

[Answer] No. We do not care to meddle in the affairs of other countries, but by the same token we do demand they show respect for our country. We want to make every effort to take care of our Panama. Let us hope that the citizens of other countries remain calm and take care of their own country. Let us hope they do so for the welfare of all the parties involved. We want to be left alone, because we are not going to be meddling in other countries' affairs.

[Question] General, what about the National Assembly of Corregimiento Representatives?

[Answer] There is another recommendation which I have not yet mentioned, and that is that the president of the republic appoint, as soon as possible, a council of honorable jurists to recommend some changes or amendments to the Constitution. For example, I like -- but this is my opinion, and I am only one person and the country belongs to all -- the idea to have all the legislators elected by the people. I would like to see all the mayors of the republic elected by the people of their respective municipality.

[Question] Why weren't all these recommendations of public and administrative moralization made by President de la Espriella to strengthen the image of the executive branch, to make it more democratic, instead of having the National Guard do it?

[Answer] We are exercising our right as established in Article 2 of the Constitution, which gives us the right to make suggestions to the president of the republic. It is up to him to take or leave them.

[Question] The National Guard until recently was just a brigade. Now that it has recruited a significant number of men, which changes its status from a brigade to a division, how will this affect the structure of the National Guard?

[Answer] We still are at a level way below a division. A division has over 18,000 men. We barely have 10,000, including the 700 who at this moment are in school and who on 15 August will go into the streets to watch over your sleep. Thank you.

Royo Holds Interview

PA310353 Panama City ACAN in Spanish 0322 GMT 31 Jul 82

[Text] Panama City, 30 Jul (ACAN-EFE) -- Former President Aristides Royo today admitted that "he was riding a horse that bucked too much at times."

Royo addressed the nation before the swearing-in ceremony of the new president. He explained that for reasons of health, he was resigning the presidency of the republic.

In his first interview as a former president, Royo said that "at times our strength gives in" and he added that he told his wife Adela Ruize, a Spaniard, that today he was feeling as he did the day he passed his last exam at the university.

"Now I can go to a cafeteria or a restaurant without having four or five bodyguards behind me," Royo said.

He quoted a Spanish poem of the Middle Ages which refers to the nature of the Gypsies "to be free as the air, free as the wind and as the stars in heaven."

Royo was replaced by Vice President Ricardo de la Espriella, an economist.

Royo said that he was resigning because of a throat problem and he reiterated in his first interview as former president that "what I said is the truth and nothing but the truth."

De la Espriella Interview

PA310128 Panama City Circuito RPC Television in Spanish 2330 GMT 30 Jul 82

[Interview with President Ricardo de la Espriella, Vice President Jorge Illueca and PRD Secretary General Ernesto Perez Balladares at the Presidential palace by Rene Hernandez -- recorded]

[Text] [Hernandez] This is RPC Television with the new president of the republic and the new vice president, Jorge Illueca.

[De la Espriella] Certainly, I will answer your questions sincerely. Ever since we learned of President Aristides Royo's intention to resign for the reasons we all now know, and after the talks we held to try to dissuade him from this decision, we have held meetings with the National Guard general staff and at these meetings reached the conclusion that, all of us, that the best thing we could do was to ask for the resignation of the cabinet ministers and other high-ranking officials as well as of the provincial governments in order to leave the new president free to choose his own officials. One of the most important conclusions we reached is that as a result of everything that has been happening in the country, we must demonstrate to the people that we intend to rule honestly and that it is important in order to guarantee a pure and honest electoral process in 1984, so the election tribunal magistrates submit their resignations in order to prevent misunderstandings with the political parties now in operation and those being formed.

Regarding the Social Security problem, all the members of that board of directors should have resigned when the problem first arose. They have given the president a very hard time. What they should have done is resigned and asked for an investigation.

We did all this by mutual agreement. General Paredes believed that it was up to him to announce it due to the fact that it would have seemed a bit indelicate for the incoming president to be obliged to tell this to the cabinet ministers and officials. This is the real reason for General Paredes' statements, with which we are in full agreement.

[Question] These mass resignations you have spoken of, when will they become effective?

[De la Espriella] There are some positions where we can only wait for the resignations. Others can be freely removed by the president of the republic. We, in coordination with the ruling groups, are going to hold consultations on the new cabinet.

[Question] Mr President, in a matter of hours you have changed from being the number two man of this country's civilian government to president of this country. How does Ricardo de la Espriella, the citizen, feel in this job of so much responsibility with so many problems?

[De la Espriella] Overwhelmed.

[Question] What is the answer to the teachers' problem?

[De la Espriella] I believe that we are going to find a solution in harmony with reality and that the problem will be solved very soon.

[Question] Mr President, the teachers are taking credit for the resignation of the president as a success of their movement. What is your opinion?

[De la Espriella] It is a coincidence that the president has been sick for several months and that this movement took place now.

[Question] Mr President, General Paredes has suggested that two personalities of the national government should retire, the attorney general and the comptroller general. What is your opinion of General Paredes' suggestion?

[De la Espriella] I do not know whether the gentlemen are at the proper age for retirement but if they are, I believe that everyone who has reached the proper age would like to retire.

[Question] Mr President, you are known as a man who clearly says yes and no. However, there have been officials in the past who have been ambivalent in their decisions. Are you going to be as clear cut as ever in your decisions?

[De la Espriella] I like things clear cut and to tell the people the truth. If one can, then one can. If one cannot, then one cannot. The worst that can happen is that they will not like my being here and that I will leave in peace.

[Question] Former President Aristides Royo had announced that in the next few years the Panamanian economy would experience serious chaos. As the new president, what can you tell us about this?

[De la Espriella] The economy is now experiencing serious problems, the country is experiencing serious problems. That is why I believe that it is not a governmental problem, it is the country's problem and unless all Panamanians together try to solve this, the tiger will eat us.

[Question] We would like to know the names of high-ranking officials of the present government who will continue with Ricardo de la Espirella.

[De la Espriella] You will know very soon.

[Question] Jorge Illueca, a message as vice president of the republic?

[Illueca] My message is to ask the Panamanian people to remain calm and understanding. There are problems in the country which must be solved with the help of all Panamanians and in harmony with all sectors.

[Question] Thank you for your statement -- and the new secretary of the Democratic Revolutionary Party: What is your opinion on today's changes, Ernesto Perez Balladares?

[Perez Balladares] This is a team of men who have the responsibility of implementing a government program and Torrijos' ideals. All men are here only in passing, we are members of the same team and President de la Espriella is definitely one of its most distinguished members.

[Question] From the presidential palace, this is Rene Hernandez.

Biographical Sketch

PA302306 Paris AFP in Spanish 2100 GMT 30 Jul 82

[Text] Panama City, 30 Jul (AFP) -- Ricardo de la Espriella Toral, the new president of Panama, who was sworn in today as a result of President Aristides Royos' resignation, was born on 5 September 1934 in this capital and has held the post of vice president since 1978.

A financial and banking specialist, De la Espriella -- the oldest of seven brothers -- completed grade school in the town of San Carlos, later returning to the capital, where he graduated from high school at the national institute.

He enrolled in the North American University [not further identified] and the Panama University and later travelled to the United States, where he studied financial administration at Stanford University in California.

He worked for the Chase Manhattan Bank, the U.S. International Development Agency and finally went to work as the credit manager at Panama Radio Corporation.

He was later appointed credit manager at the Banco de Credito Popular and helped organize the Primer Banco de Ahorros de Panama, which he managed for 5 years.

In 1969 he was appointed the general manager of the Caja de Ahorros de Panama. In 1970, he was called by the government to assume the leadership of the Banco Nacional de Panama, a position which he maintained until his appointment as vice president of the republic on October 1978.

Comments on Current Situation

PA312250 Panama City Televisora Nacional in Spanish 2140 GMT 31 Jul 82

[President Ricardo de la Espriella 31 July interview with correspondent Guillermo Rodolfo Valdes at the president's home -- recorded]

[Text] [Question] Mr President, you have just achieved your first success as president with the agreement arrived at between the government and the teachers on strike. What do you believe allowed today's solution?

[Answer] The good will of the two sides involved and the talks and dialogue between Minister Torrijos [education minister] and the group of teachers. I believe that the government and the teachers were interested in solving this situation for the benefit of the country.

[Question] Mr President, some people have commented, some favorably and others not so favorably, on the list of recommendations that General Paredes made on behalf of the general staff during the press conference he granted yesterday. How do you see this?

[Answer] People say that Paredes presented me with a menu, and with a menu you can choose what you like and ignore what you don't like. I think he has invoked Article II of the Constitution, which allows the National Guard as the military organization of the state to make recommendations. We will study them and see what there is that can be done.

[Question] Among those recommendations he included the resignation of many government officials. Have you received any resignations, especially in the last 24 hours?

[Answer] From almost all of them.

[Question] When do you think the new cabinet will be announced to the country?

[Answer] Guillermo, you know that setting up a cabinet is not an easy task. Second, it is not a matter of improvising. We believe that at the earliest possible date, and without compromising on a date, we have to have a cabinet, because we must get to work. Next week, the first few days of the next week, we should have a cabinet.

[Question] What can you tell us of the convocation of the National Assembly of corregimento representatives?

[Answer] We are also interested in making the convocation before the end of the month, once we have a cabinet and certain administrative matters have been settled. We were waiting for the strike to be solved, which we have already done; I think that before the end of August, there will be a convocation, since they do have to ratify the chosen vice president.

[Question] It could be said that in general the people agree with the majority of the measures recommended by the National Guard general staff, but there is one that has brought concern to the press and to the people, and this is the closure of the seven newspapers printed in this city. What plan do you have to solve this problem? Will you wait the 7 days, or will the limit be shortened in order to reach an agreement on this matter?

[Answer] This has also concerned me, and we believe that we should work hard in the next few hours to talk with the owners and directors of the newspapers and the other people who are responsible for handling information to reach an agreement with them as soon as possible.

[Question] In the past much has been said on the subject of communist infiltration in the current government. What will your policy be?

[Answer] I don't believe in witch hunts.

[Question] Can you tell me if there will be some changes in the government's foreign policy?

[Answer] We will continue with our nationalist views. We will continue with the lines drawn by Torrijos, because we believe in them, and I don't believe there will be major changes in our foreign policy.

[Question] In general terms, do you believe your rise to power is an advance in our democratization or a step backward?

[Answer] It has nothing to do with my rise to power. My rise has been accidental, because the president chosen for a 6-year period has presented his resignation. When this occurs you have a vice president. The vice president takes the reins of control to fulfill President Royo's term. Therefore, it is not an advance or a retreat. The process of democratization we are involved in will continue. There has been no retreat; advance there has always been because we are headed toward that goal.

[Question] Tell me honestly, were you surprised with his resignation?

[Answer] Yes, it did take me by surprise. On several occasions President Royo had mentioned that he did not feel well, that he was sick -- many took it as a joke -- and that he had already been examined. I also took it as a joke, as a game among us, and when he told me I was surprised.

[Question] Does that mean that you were not mentally prepared for this situation?

[Answer] You can never be prepared for a situation such as this.

Government Plans

PA011620 Panama City Radio Station Telemetro in Spanish 0200 GMT 1 Aug 82

[Exclusive interview with President Ricardo de la Espriella by Diana Arosemena 31 July at the president's home -- recorded]

[Excerpts] [Question] Mr President, in an interview earlier today, Dr Arias Calderon, spokesman of the unified opposition bloc, said that the National Guard has concentrated the power of command in that institution, thus affecting the three branches of government one of which, the executive, you represent. How do you feel about Dr Arias Calderon's statement?

[Answer] I could tell Dr Arias Calderon that he should have a little bit of faith and confidence. I would ask him to allow time for the events to develop. He must understand that there has been a change, a change of chief of government, but he and all the country's political parties can be sure that we are determined to carry out the process of democratization, which is not our work but was promised by Torrijos. It will be achieved as scheduled. We are going to fulfill it by holding clean, honest and pure elections. What is said about the National Guard, well the National Guard has always had power in this country. It is an organ of power. However, that does not worry me. They are not telling me what to do as some claim.

[Question] How soon are we going to have a new cabinet, Mr President?

[Answer] Very soon, Diana. I would not say it will be an entirely new cabinet. Some ministers will be replaced. Next week we will announce some cabinet changes.

[Question] I have heard, since we journalists have long ears, that the education minister has been confirmed?

[Answer] I think that Dr Susana de Torrijos has been doing great work. She has been one of the pillars, one of the factors that made the solution of the strike possible. I was telling the teachers a short time ago that despite the fact that she was on the other side of the negotiations table, Dr Susana de Torrijos has been the best ally they have had in the government. I find no reason to replace her.

[Question] Is she your candidate for that post?

[Answer] She is not my candidate. She is confirmed.

[Question] Mr President, a final question. Private enterprise has always looked upon you very favorably. What plans does the president have to encourage private enterprise and to give the middle class, which has been so hard hit lately some relief?

[Answer] What plans does the private enterprise have to lighten the country's load of financial problems? The main plan is to keep ourselves open. We have always been open to dialogue and consultation. No one has a monopoly on truth. The president would like to have the private enterprise make its plans known, to express its view on how to achieve the objective which you mentioned.

[Question] Are you then issuing an invitation to dialogue?

[Answer] It has always been a standing invitation. The doors of my office as vice president, as bank manager and as their friend have always been open.

Reopening of Newspapers

PA012133 Panama City ACAN in Spanish 1956 GMT 1 Aug 82

[Text] Panama City, 1 Aug (ACAN-EFE) -- Panamanian President Ricardo de la Espriella told ACAN-EFE that "we are working hard to restore the circulation of newspapers in the next few days."

De la Espriella said that he has held several meetings since yesterday in an effort to form a committee of "honorable Panamanians" who can "develop some minimal rules of the game that allow the maximum freedom of expression with order and respect for the integrity and dignity of people."

These statements by the new Panamanian president agree with other comments to ACAN-EFE that the circulation of newspapers could be restored in the first few days of next week.

Furthermore, Ricardo de la Espriella affirmed that work is being done toward restructuring the electoral tribunal, in the face of the 1984 elections.

The president of the Republic of Panama underscored that "both the chiefs of staff of the National Guard and I want the electoral process to unfold and end in a clean and fair way."

"We want the person who is elected president in 1984 to be the one who obtains the majority of the Panamanian citizens' votes," he added.

Although he made no specific reference to the electoral system, De la Espriella clearly expressed that the future Panamanian president will come through direct-vote elections.

ROYO'S RESIGNATION TRIGGERS VARIED REACTIONS

PA310218 Panama City ACAN in Spanish 2320 GMT 30 Jul 82

[Text] Panama City, 30 Jul (ACAN-EFE) -- The resignation of Aristides Royo from the presidency of Panama and his replacement by Vice President Ricardo de la Espriella, appeared "predictable" to a liberal leader, "surprising" to several ministers, "a farce" to Christian Democratic leaders and "imperative" to other opposition leaders.

Luis de Leon Arias, of the official Democratic Revolutionary Party (PRD), chairman of the National Legislative Council and the Assembly of Representatives, said events like those of today "are normal, and even contemplated in the Constitution." De Leon Arias today received Royo's resignation letter and in the afternoon presented the presidential sash to De la Espriella at the Palace of the Herons (presidential palace).

Several ministers attending the ceremony at the palace confessed to being totally "surprised" by Royo's resignation for health reasons, according to the letter delivered to De Leon Arias.

Guillermo Cochez [vice president of the Christian Democrats] and several other opposition leaders are meeting this afternoon at the residence of Ricardo Arias Calderon, president of the Christian Democratic Party and of the Christian Democratic Organization of America (ODCA). After analyzing today's events, they will issue an official communique in the next few hours, according to Cochez.

Another opposition leader, Liberal David Samudio, said he doubted Royo's health was the cause for his resignation. He declared that the climate that had affected Panama in the past few months "made it predictable that Royo would not complete his term."

Luis Gaspar Suarez, leader of the Panamenista Party, said the change of Royo "was necessary and imperative."

Suarez described De la Espriella as "a center man, rather conservative and too fond of democratic traditions. He is well connected with the banking world, which under the present circumstances in Panama is a guarantee."

Although he appeared hesitant at first to comment on the reason for Royo's resignation, Suarez said: "There was certain indecisiveness evidenced in the acts of government which logically obstructed the advance toward the nation's democratization that all Panamanians want."

Renato Pereira, of the progovernment Popular Broad Front, said the news was a great surprise to him, particularly since the official forces had today staged a massive rally to commemmorate the first anniversary of the death of Gen Omar Torrijos.

PRESIDENT PRAISES TEACHERS; CLASSES TO RESUME

PA011501 Panama City Televisora Nacional in Spanish 2300 GMT 31 Jul 82

[Excerpts] A group made up of teachers leaders, the education minister and members of the negotiation team announced at President Ricardo de la Espriella's home this afternoon that the strike is over and that classes will resume on Monday, 9 August.

President de la Espriella met behind closed doors with the teachers first and then met with the government team and the media to make the following announcement:

[Begin De la Espriella recording] I want to congratulate you because we have been able to solve this problem which was worrying Panamanian families. Although the agreement might not be satisfactory to all, it is a good agreement.

As president of the country, I would like not only you to get salary increases but all the workers of Panama. However, in your particular case, I would say that those who benefit the most [from this solution] are the Panamanian youth and their parents. The country has many hopes for these young people. You must guide them along good paths. I believe that this agreement is important because, as I once said, everything can be accomplished through dialogue and good will.

During my administration you will have all possible support and we will make the best effort to solve the problems of education. [end recording]

PRD LEADER CONDEMNS CLOSING OF NEWSPAPERS

PA020158 Panama City ACAN in Spanish 0109 GMT 2 Aug 82

[Text] Panama City, 1 Aug (ACAN-EFE) -- Ernesto Perez Balladres, secretary general of the progovernment Revolutionary Democratic Party (PRD) said tha Panamanian Government's measure of closing down six daily newspapers in "arbitrary" and "drastic."

"The government had other measures available," Perez Balladres added. He urged the authorities to allow the reopening of the newspapers "at the earliest possible moment."

One hour after President Ricardo de la Espriella was sworn in, Col Ruben Dario Paredes, commander in chief of the National Guard, "recommended" to the new president the closing of newspapers beginning on Friday and effective for 7 days, in order to study with the news media directors measures against "slander and libel."

COSTA RICA

MONGE CRITICIZES NICARAGUAN ATTITUDE, ACTIONS

PA020311 Paris AFP in Spanish 0021 GMT 2 Aug 82

[Text] San Jose, 1 Aug (AFP) -- Costa Rican President Luis Alberto Monge has said that "the Nicaraguan Government has failed to show due respect to the Costa Rican people and government." In a statement here today, Monge made this comment in reference to the Nicaraguan Government's attitude in receiving three Nicaraguan diplomats who were expelled from Costa Rica last week "like martyrs" and presenting them to the press as "political refugees."

The Costa Rican president said the three diplomats were involved in the bombing 3 July of the main offices of the Honduran airline in the capital. The explosion caused only property damage.

Monge said that "we would have expected the Nicaraguan Government to discredit and punish the three officials," but this was not the case. He reiterated that "the explosion of the bomb is added to a chain of constant acts of provocation of our northern borber." He cited as examples "the infiltration of Nicaraguan soldiers and patrols into Costa Rican territory, overflights by Sandinist planes which violate our airspace and military harassment of Costa Rican peasants, including the destruction of their humble dwellings."

In addition, the president said that "in violation of the Canas-Jerez border treaty of 1858, Nicaraguan authorities are interferring with Costa Rican's right to free navigation on the San Juan River, a right that was confirmed by U.S. President Grover Cleveland in 1883. Repeating a charge made last week, Monge said that "at the same time that this lamentable incident took place, extreme leftists in Costa Rica increased the tone of their attacks on the government and stepped up acts of social agitation, blackmailing democratic labor leaders in order to involve them in acts to destabilize our democratic institutional system."

President Monge's statements coincided with the announcement that Public Security Minister Angel Edmundo Solano will meet with his Nicaraguan counterpart, Commander Thomas Borge, on the border between the two countries in the middle of next week. The statements also coincided with the announcement by Costa Rican Foreign Minister Fernando Volio that he will meet with Nicaraguan Foreign Minister Miguel d'Escoto in Managua on 11 August. The tension between the two countries led former President Daniel Oduber, a member of Monge's party (the Social Democratic National Liberation Party), to comment on the need for dialogue and for an easing of tension "no longer just between governments, but also between the two societies."

Communist Destabilization

PA311531 San Jose Radio Reloj in Spanish 1200 GMT 30 Jul 82

[Text] President Luis Alberto Monge has accused the communists of engaging in a campaign of destabilization. International communism and Marxism-Leninism are waging a campaign to destabilize our country's democratic system, he said, claiming that the demonstration staged by women on Wednesday, yesterday's strike at the university and other scheduled actions were all orchestrated by the communists. This is a communist reaction in reprisal for the government's decision to declare three Nicaraguan Embassy officials personae non grata, Monge declared.

The communists believe the democratic system has failed and want to impose their system on us, though we all know that the communist system has not been successful and that freedom has been abolished wherever it has been established.

He charged that the Marxist-Leninist extreme leftwing in our country has been taking advantage of our social problems to destabilize us. The strikes at the university and yesterday's demonstration are international communism's synchronized response to our necessary expulsion of Nicaraguan officials because of their involvement in terrorist acts, he said. Monge added that these officials were involved in the plan to destabilize our country.

The communists and Marxist-Leninists are acting as a fifth column against Costa Rica's interests, the president said. This movement is not in agreement with our government and does not wish to cooperate in overcoming hunger, unemployment and Costa Rica's other current problems. Monge said all of these actions and others that they intend to carry out in future amount to a reprisal by the communists for the expulsion of three Nicaraguan diplomats who were involved in the terrorist act against the SAHSA office.

Finally, President Monge said the workers, the unemployed and the hungry must realize clearly that the government, more than anyone else, is deeply interested in helping them, within our limitations and resources. However, let them be clearly aware too that Marxism-Leninism is interested not in helping us but only in serving interests far removed from the true interests of the Costa Rican people. Monge added that the communists are bent on showing that the democratic system is not good, though everybody knows that theirs has failed.

Mora Valverde Response

PA010217 Paris AFP in Spanish 1737 GMT 31 Jul 82

[Text] San Jose, 31 Jul (AFP) -- Manuel Mora Valverde, the Costa Rican communist leader, said that "international communism can have no interest in destabilizing the Costa Rican Government or of turning Central America into the center of a world war." Mora was replying to a speech by Costa Rican President Luis Alberto Monge accusing the communists of attempts against democratic institutions by leading the discontented sectors of the population in protest actions.

Mora assured monge that "Costa Rican communists have a greater interest in defending the Costa Rican democratic system then the dark forces you have begun to represent." He added that the increase in the cost of living and the strangling of the national economy are not the product of the communists, but of those who "live in Washington."

He said the scandal that occurred with three Nicaraguan diplomats due to supposed participation in a dynamite attack on 3 July "is part of the maneuver planned in some sectors of the U.S. Government against this country." He said several incidents have occurred simultaneously, and mentioned "the military maneuvers of the Honduran and U.S. armies near the Nicaraguan coasts, the Honduran foreign minister's announcement that his country and Nicaragua are on alert the presence of a U.S. Navy ship in Puerto Limon and the scandal at the Nicaraguan Embassy in San Jose," all of which he attributed to a plan "staged for the purpose of provoking a break in relations" between the two countries.

Mora told Monge that "you are gratuitously serving the imperialist forces, which are preparing to invade Nicaragua and set all of Central America afire, including our country."

NICARAGUAN COMMISSION ACHIEVES 'INITIAL ADVANCES'

PA311434 Panama City ACAN in Spanish 0142 GMT 31 Jul 82

[Text] San Jose, 30 Jul (ACAN-EFE) -- The Costa Rican-Nicaraguan mixed commission concluded its second session of negotiations here today, having continued the work begun in Managua at their first meeting.

After 3 days of work, the two nations' delegates announced initial advances in overcoming the diplomatic and territorial problems of the last few months. The initial work on delineating the countries' border will take place in the last 2 weeks of August, when markers will be placed on Costa Rican territory. In the first 2 weeks of September the commission will meet at the Penas Blancas border post for a site analysis of the best way to implement the border demarcation. The fieldwork, which will start before the end of September, is expected to be completed by the end of the year.

In addition, the defense and security subcommittee decided to establish a "permanent procedure for contact" through delegates along the border area, which will permit rapid knowledge of and solutions to any problem arising in the area.

As for the last two problems submitted by Costa Rica. Nicaragua provided an immediate reply by returning the boat in question to Santos Gonzalez, Porras. The mixed committee is scheduled to meet again in Managua within a month.

EL SALVADOR

PRESIDENT MAGANA INTERVIEWED ON CURRENT ISSUES

PA011800 San Salvador Radio Cadena Central in Spanish 1221 GMT 31 Jul 82

[Interview with President Alvaro Magana at reception honoring journalists at the Presidente Hotel in San Salvador 30 July -- recorded]

[Excerpts] [Question] The Central American Economic Community formed by Costa Rica, Honduras, El Salvador and Guatemala is an organization that seeks political, economic and fraternal objectives.

[Answer] Yes. As you know, the Central American Economic Community emerged in a meeting in Costa Rica in January and [words indistinct] change of governments in three of the countries. Honduras, Costa Rica and El Salvador have new presidents. When I took office, and taking advantage of the visits I paid to the presidents of those fraternal countries, I again tried to promote the idea, and from there emerged the meeting of foreign ministers in San Salvador. A new meeting should be held in San Jose. [Words indistinct] I would go to Panama to invite President Royo, or at least deliver the [words indistinct] modifications to the charter. The idea is to try to have the democratic governments achieve democracy through a political process and at the same time to again begin the restructuring of the Central American Common Market. That is the basic idea.

[Question] Regarding this Central American Economic Community, the foreign ministers have said that Nicaragua should also be invited because it has been almost been left out. Are there plans to invite Nicaragua, or are you going to wait to see how the process [words indistinct].

[Answer] I only remind you that the community is called the Central American Democratic Community. With that I am answering your question.

[Question] Mr President, does that mean Nicaragua is not democratic?

[Answer] You are interpreting that, (?not I).

[Question] [Words indistinct] Foreign Minister Chavez Mena about a policy of detente the government will undertake regarding Western Europe and Mexico?

[Answer] Foreign Minister Chavez Mena obviously does not have a different opinion from mine [words indistinct]. Unfortunately, since we have had to deal with other problems, we have not given Europe all the attention we would like. What Foreign Minister Chavez Mena is referring to is that we will try to change the image and the misinformation in Europe about our country. I think we will make significant progress in this and that changes will be seen in September.

[Question] The report Mr Enders presented to the Foreign Relations (?Subcommittee) of the U.S. Senate indicates that Maj Roberto d'Aubuisson, along with the other parties, is open to dialogue with the institutions that are linked with the guerrillas. Is this among the plans of the national unity government [words indistinct]?

[Answer] I have always said that the problem of peace in El Salvador is too complex to be solved by isolated measures. The idea I had from the beginning was the creation of a peace commission with representatives of various sectors, who would make suggestions and recommendations regarding the measures that can be adopted to achieve the country's pacification. For example, it should discuss an amnesty law, because in order for an amnesty law to be effective it should include a number of collateral measures that would give guarantees to those who accept the amnesty so they will have confidence to do so.

Therefore, I do not think the problem can be solved in an isolated way. What I have always said and what has been repeated a lot is a phrase I used in my inaugural speech. I said there was nothing to negotiate.

[Question] But the interpretation Mr Enders makes is of a dialogue and not a negotiation.

[Answer] Mr Enders (?talks) of the possibility of a dialogue. We have been changing the words. We began with "negotiations"; we are now using dialogue, and will will reach the word "communication."

DEFENSE MINISTER SAYS GUERRILLAS MUST BE CRUSHED

PA301804 Paris AFP in Spanish 2340 GMT 29 Jul 82

[Text] San Salvador, 29 Jul (AFP) -- Gen Jose Guillermo Garcia, defense minister and strongman of El Salvador, has said that "the subversives must be crushed" if peace is to be achieved. In his opinion, there is a long way to go in reaching this objective, which depends on the foreign support that both the guerrillas and the government may obtain. "That is why we care about U.S. support," the minister emphasized in an exclusive interview with AFP.

General Garcia announced that his govermnet is not willing to talk with the guerrillas because the possibility of doing so passed with the 28 March elections, in which the left did not participate. In his judgment, "the subversives do not want to talk either, for they know that they would be defeated in any elections."

He also denounced the fact that "Nicaragua continues to supply the guerrillas with arms, from rifles to mortars and cannons, by air, land and sea." Nevertheless, he said the armed forces have a good field situation and noted that the air force, which was reinforced last month with new U.S. A-37 Dragonfly bombers, has played a very important role, having been very effective during last month's offensive in Morazan Department, 120 km northeast of San Salvador. During this operation, which lasted 3 weeks, the armed forces suffered only 14 casualties, while the guerrillas had about 300, Garcia estimated. Nevertheless, the FMLN claims that the army suffered 600 casualties during this operation.

The defense minister rejected criticism from U.S. officers of the armed forces' tactics against the guerrillas. "This is not Vietnam; one cannot use the same tactics. We have no bombers with which to level large areas before moving in with patrols. The terrain and the conditions are completely different from Vietnam," he said.

He revealed that the armed forces use a large number of troops to attack an area and that the guerrillas generally withdraw during these actions. He noted that the U.S. advisers have suggested the use of small units to constantly patrol the terrain, but said the Salvadoran Army does not want to use this tactic.

General Garcia reaffirmed that the Honduran Armed Forces "did not participate in military action on Salvadoran territory last month," as the guerrillas charged. However, he conceded that the two border is not well defined and that a demilitarized zone, where the two armies penetrate by common agreement to block FMLN fighters, exists.

As for human rights, the defense minister believes that the armed forces' attitude has improved. "We have made efforts throughout the armed forces and the support units. By this I am referring to the paramilitary forces, which are required by the form of the struggle. The armed forces are now acting acceptably." Garcia conceded that the guerrillas have "social roots." This was the reason for the 1979 coup, which was intended "to end the frustration, exploitation and injustice that existed. The situation has changed with the reforms that we have implemented. Otherwise, we would now have social chaos in the country."

Finally, General Garcia expressed concern about the tension between Nicaragua and Honduras, while stating that "I believe El Salvador will not be involved if there is a confrontation."

Praises Reagan Statement

PA010146 San Salvador EL MUNDO in Spanish 30 Jul 82 p 2

[Text] Defense Minister Gen Jose Guillermo Garcia has said that "President Reagan's good deed in certifying that in our country respect for human rights has improved commits the armed forces and the Salvadoran Government, and allows us to show the whole world that we are acting correctly."

In an exclusive interview with EL MUNDO, the member of the high command said that President Reagan's attitude "is a sincere gesture, spoken with knowledge of the situation and with justice, directed toward achieving the support of Congress to continue granting all aid to El Salvador so that the government will carry on and complete the programs that are natual to a democratic regime."

"We stress the truth of the information on which President Reagan based his decision to tell Congress that in our country respect for human rights has improved," General Garcia reiterated. He added that it cannot be denied that mistakes have been made and that there have been some abuses of authority, but he said that the armed forces believe that this situation cannot continue and are trying to correct it by taking preventive measures and applying legal punishment to those found guilty of crimes and misdemeanors.

"We stress that our respect for human rights and justice has improved and efforts are being made to end all that is negative so that no charges can be made against the armed forces. That is why we believe we are committed to setting an example by acting correctly. This is the best way to show our appreciation for President Reagan's good actions."

On the other hand, General Garcia said the dislodging and cleanup operation of subversive redoubts that is being carried out in San Vicente and Usulutan is successfully achieving the goals established by the high command. Without furnishing details, he said that fortunately up to this moment only two members of the armed forces have been killed. He also said the combat units have dismantled guerrilla camps and have recovered war materiel. He pointed out that the main actions have been carried out in the Usulutan area and added that in other departments commandos are also performing search operations for subversive redoubts.

In conclusion, he said instructions have been issued to the armed forces and public security corps to coordinate a security plan for San Salvador during the celebrations in the month of August. Regarding the matter of the defense deputy minister, Col Francisco Adolfo Castillo, who is still being held by the extreme left, he said that "the situation remains the same and efforts at private levels are being made to see how the situation can be solved."

HONDURAS

ECONOMY MINISTER REPORTS AREA MEETING CANCELED

PA301514 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 29 Jul 82

[Text] Economy Minister Julio Matheu confirmed this afternoon that the meeting of Central American economy ministers that was to be held in Managua tomorrow has been unexpectedly canceled. He said he will therefore leave tomorrow, accompanied by the deputy minister of economic integration, to visit his Central American counterparts:

[Begin Matheu recording] The meeting of Central American economy ministers that was to be held in Managua tomorrow was canceled when the Costa Rican and Honduran ministers advised that they couldn't attend because unexpected matters had arisen. Subsequently, the Salvadoran economy minister announced that he also couldn't attend. Still, we feel it is a serious thing when we can't even hold talks among the isthmus' economy ministers on a reactivation of the Central American Common Market, which is urgently needed, not only by the Guatemalans but by the rest of the Central Americans. Therefore, Deputy Minister (Carlos Enrique Oranges) and I have decided to leave tomorrow, to visit the Salvadoran economy minister first; then the Costa Rican minister; and finally, on the way back to Guatemala we'll stop in Nicaragua in the afternoon to visit that country's economy minister. We hope to be able to visit the Honduran economy minister on Monday or Tuesday of next week. [end recording]

Matheu noted that he asssumes that the excuses offered by several of the Central American ministers could be a result of the isthmus' current political conflicts: [begin recording] Of course the difficult problems we are currently experiencing, particularly on the Nicaraguan-Honduran border, are undoubtedly a factor in their decision not to attend. This is unfortunate. I am mentioning this only as a personal opinion, for I have no confirmed information as to why they are not attending the meeting. [end recording]

The minister said the cancellation of this meeting will delay the reactivation of the Common Market. [Begin recording] If we don't hold talks, seek solutions and implement them, we will further delay the reactivation of the CACM. The CACM, as the name says, is common -- common to all. Therefore, to make it work for all we must meet and reactivate its mechanisms, from which we derive common benefit. [end recording]

ARMY PUT ON ALERT; PATROLS, VIGILANCE INCREASED

PA011819 Panama City ACAN in Spanish 1705 GMT 1 Aug 82

[Text] Tegucigalpa, 1 Aug (ACAN-EFE) -- Military sources told ACAN-EFE today that the Honduran Army is concentrated and ready to move to any point threatened by an external attack. Leaves for officers, noncommissioned officers and soldiers, which are traditionally granted on the weekends, were canceled by the high command and the troops were ordered to wear their fatigues. The same sources added that the combat units are on maximum alert so that they might be moved immediately with all their equipment and in support of the advance units on the borders.

Vigilance in cities, along highways and at strategic points was considerably increased this weekend. ACAN-EFE obtained details of the Honduran military alert through contacts with army officers who asked to remain unidentified. The patrols in Tegucigalpa include units on foot and in vehicles. The units are heavily armed with automatic rifles and .50-cal machineguns. They also have communications equipment. Air force helicopters are carrying out reconnaissance flights.

Control Measures Announced

PA311350 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 30 Jul 82

[Bulletin issued by the Public Relations Department of the Public Security Forces, FUSEP, in Tegucigalpa 29 July]

[Text] The General Headquarters of FUSEP has increased vigilance throughout the country in view of recent events. As a result, it announces the following to Honduran citizens:

In view of the latest terrorist acts and various subversive actions staged by foreigners with the complicity of some Hondurans who support international Marxism-Leninism, FUSEP has been forced to adopt the following measures:

Strict measures for security and the control of people in the country's interior have been issued. Necessary measures have been adopted to insure the identification of people. Therefore, all citizens must carry their personal documents, either an identification card or birth certificate. All foreigners in transit or resident in the country must carry personal documents showing their nationality and their immigration status. FUSEP agents and inspectors from the General Directorate of Population and Immigration are authorized to request the idenitification documents of individuals at any time or place.

The citizen's cooperation is required if the population and immigration policy is to be strictly and correctly applied. Therefore, they should not take in or protect subversives; rather, they should report them to the proper authorities.

NICARAGUA

NUNEZ CHARGES SECTS AID COUNTERREVOLUTIONARIES

PA301847 Managua Domestic Service in Spanish 0300 GMT 29 Jul 82

[Text] Commander of the Revolution Carlos Nunez, chairman of the State Council, has charged that persons who have assassinated Nicaraguans, former Somozists serving prison terms, are training in prison to work as pastors once they get out of jail. Now it happens that these killers are servants of God, the commander noted in denouncing religious sects as accomplices of the counterrevolution. I am not saying they should never leave prison, but that in the future they should not say they were not given an opportunity, he noted. In the future, he added, the revolution will deal with them harshly if they backslide.

Regarding criminal activities against our people, Commander Nunez said imperialism will try to make economic problems more acute. He said this is what imperialism tried to do yesterday at the refinery and using Honduran military sectors as its tools. These criminal actions, he stressed, should lead those who have misinterpreted the generosity of the Sandinist people's revolution as weakness to think carefully.

Borge on Catholic Plots

PA311505 Managua Radio Sandino Network in Spanish 1200 GMT 30 Jul 82

[Text] Interior Minister Tomas Borge said the future of the religious sects in Nicaragua will depend on their attitudes henceforth toward the revolution. Referring to the Seventh Day Adventists, one of whom recently placed an explosive charge on a high-tension tower in Las Maderas, Commander Borge said he cannot now say what will become of this sect, but he promised that its days in Nicaragua are coming to an end.

Borge said that the religious sects -- the Jehovah's Witnesses, the Adventists, the Mormons and other groups opposed to the revolution -- are under investigation. He also explained that there are some non-Catholic evangelist congregations that are actually engaged in religious and social activities and that sometimes cooperate with the revolution's social activities. He noted that a bill is being submitted to the State Council that will require religious sects to register with the authorities before they begin operation. Borge accused the leaders of the Catholic Church of siding with the wealthy and with the oligarchy. He said there is no possibility of dialogue with the Catholic leaders because they identify with the interests of U.S. imperialism and of the wealthy.

Borge met yesterday with some 30 members of the French and Spanish committees of solidarity with Nicaragua, discussing the situation in Central America and the possibility of U.S. intervention in the area. He said the Catholic leaders should cease their plots against the revolution and should not accept the money the CIA is giving them.

[Begin Borge recording] We have no problems with Christians who are true revolutionaries. On the other hand, we have not been able to achieve an understanding with the leaders of the Catholic Church. I don't think we will ever be able to. I once asked them if they wanted to start a war. We don't expect them to become Sandinists; all we ask of them is that they teach the Gospel and spread God's word, and that they not plot against the revolution or accept the CIA's money. Instead, in the class struggle that is going on in this country, they have decided to side with the exploiters, the wealthy and the imperialists. What are we supposed to do? We are going to stand against them and against anyone who opposes the revolution. We are not afraid of the Catholic leaders. We have the people's support and we have sufficient historical cause. We will succeed despite them. [end recording]

ROYO'S RESIGNATION DESCRIBED AS SURPRISING

PA310348 Panama City ACAN in Spanish 0108 GMT 31 Jul 82

[Text] Managua, 30 Jul (ACAN-EFE) -- The Voice of Nicaragua, the official Nicaraguan Government Junta radio station today described this morning's resignation of Panamanian President Aristides Royo as "surprising." The state radio station offered wide coverage of the situation and broadcast the voice of the new Panamanian President Ricardo de la Espriella at the moment he was being sworn in.

Radio Sandino interrupted its regular programming to broadcast the news of Royo's resignation, while other radio newscasts also reported the changes that occurred today at the Palace of the Herons in Panama. Managua's LA PRENSA mentioned Royo's resignation and had a front-page photograph of the outgoing Panamanian president with Moises Hassan, former member of the Nicaraguan Government Junta, and Violeta de Chamorro, also a former member of the executive branch of this country.

COOPERATION AGREEMENT WITH CUBA EXPANDED

PA011928 Havana International Service in Spanish 1800 GMT 1 Aug 82

[Text] Nicaragua and Cuba have signed an expansion in Managua on their economic cooperation agreement for this year which includes Cuban aid as a result of the floods in Nicaragua in May. The document was signed by Hector Rodriguez Llompart, minister president of the Cuban State Committee for Economic Cooperation, and Commander Henry Ruiz, Nicaraguan planning minister.

The Cuban aid will essentially include the construction of bridges and roads, a plant for prefabricated bridges, five plants for prefabricated houses and three for schools. It also includes the expansion of two clinics and a project for the new railroad.

Cuba also increased its health brigade by 107 doctors and 200 interns and donated construction materials and medicines.

During the signing ceremony Henry Ruiz said the cooperation Nicaragua has received after the floods has been basically from Cuba. Rodriguez Llompart stressed that whenever imperialism and the reactionaries increase the aggressive actions against the Nicaraguan people and their Sandinist revolution, Cuban solidarity is more evident.

SANDINO FRONT CONCURS IN PASTORA'S DECISION

PA301448 (Clandestine) Voice of Sandino in Spanish to Nicaragua 0000 GMT 29 Jul 82

[Text] The Sandino Revolutionary Front [FRS] unites its voice with that of Commander Eden Pastora Gomez. In regard to the dissolution of our organization, FRS friends and members have announced to the Nicaraguan people and the free people of the world that we agree completely with Commander Pastora when he said: "As long as the National Guard exists as an armed institution in northern Nicaragua, I have arrived at the revolutionary decision to dissolve the FRS as a political-military organization and I declare that no one is authorized to use this sacred acronym."

We cannot allow our struggle to be confused with the murder and torture committed by National Guardsmen in the mountains of northern Nicaragua. We have learned that unauthorized people have used our sacred name to cover their abuses. The international press must be completely aware of this dissolution, which will be in effect as long as the genocidal Guardsmen serve as an instrument of repression and encourage foreign intervention in our territory.

The FRS, with Commander Pastora in the lead, will fight to rescue the Sandinist revolution, which has been betrayed by the National Directorate's nine commanders; but it will never fight at the side of the people's assassins, the National Guardsmen, whose genocide is still fresh in the minds of the world's people. We cannot forget the torture and murder of the Cua peasant women. We cannot forget the hideous National Security Office, which, to our people's disgrace, has been reactivated by the nine commanders with the so-called State Security Office.

Let it be very clear that as long as the National Guardsmen act as instruments of military repression in Nicaragua's northern mountains, the FRS will not continue to be a military-political organization. Our struggle is intended to oust the nine commanders, and not to allow the National Guard to massacre the Nicaraguan people.

CUBAN ADVISERS 'EXECUTED' BY ARMY DESERTERS

NC010648 Paris AFP in English 0640 GMT 1 Aug 82

[Text] Tegucigalpa, July 31 (AFP) -- Four hundred deserters from Nicaragua's Army captured 27 Cuban advisors and executed them for torturing political prisoners, it was claimed here today. The claim was made in a communique of the "May 27 Legion of Nicaraguan Democratic Forces" printed here by the Honduran newspaper HERALDO. The communique said the names and belongings of the 27 men will soon be turned over to the International Red Cross in a Central American country.

The May 27 Legion said the deserters turned the advisors over to the Legion last Wednesday on Nicaragua's Atlantic coast. "It was established that all the advisors had inflicted torture in the prisons of El Chipote, Zona Franca and Cinco Pano." Then the Cubans were shot by the deserters who captured them, stated the legion, which opposes Nicaragua's leftist Sandinist regime. The communique said the May 27 Legion now numbers 2,700 "well-armed men."

RAUL CASTRO CONGRATULATES CIVIL DEFENSE UNITS

FL311310 Havana Domestic Service in Spanish 1045 GMT 31 Jul 82

[Text] Army Gen Raul Castro, second secretary of our party, first vice president of the Councils of State and Ministers and minister of the FAR, has sent a message congratulating the Civil Defense Organization on the occasion of its 20th anniversary.

In his message, Army General Castro stressed that 20 years after its inception a completely new and refined institution, peculiar to the nature of our socialist state -- one of whose principles and first duty is to safeguard and protect the people and preserve the wealth and resources of the national economy -- has been established.

The message stressed how the Civil Defense Organization, in the conduct of its mission, had saved thousands of lives and many resources on the numerous occasions when the country had been affected by natural disasters and through its participation in the efforts made by the state and all the people in fighting and eradicating epidemics.

Due to all your efforts, Raul's message emphasized, you have earned the respect and recognition of the people, which should prove a valuable incentive for continuing the sustained hard work to improve your activities and implement measures to make the people's efforts in civil defense tasks more effective each day.

Because of my confidence in your efforts, the FAR minister's message concluded, I convey my warmest congratulations to your general staffs, units and civil defense institutions on this 20th anniversary for the interest and dedication you have demonstrated in fulfilling the missions assigned by the party and state.

USSR NAMES KATUSHEV AS NEW AMBASSADOR TO CUBA

FL311400 Havana Domestic Service in Spanish 1045 GMT 31 Jul 82

[Text] Moscow has announced that the Presidium of the Supreme Soviet has named Konstantin Katushev as new USSR ambassador to Cuba. Katushev, who since 1957 has occupied positions of leadership in CPSU organizations, had lately been fulfilling the post of deputy chairman of the USSR Council of Ministers. The new Soviet ambassador will replace Vitaliy Vorotnikov, who will go on to fulfill other functions.

BRIEFS

BRITISH MINERS LEADER -- (Arthur Scargill), president of the British Mineworkers Union, is in our country at the invitation of the central organization of Cuban Trade Unions [CTC]. He took part in the 29th Moncada anniversary celebrations. On arrival, (Scargill) was met by Jesus Escandel, of the CTC leadership. [Havana Domestic Service in Spanish 1600 GMT 30 Jul 82 FL]

MONCADA CELEBRATION IN GUADELOUPE -- Pointe-a-pitre -- A rally of solidarity with the Cuban revolution has been held here to mark the 29th anniverary of the attack on the Moncada barracks. The rally was organized by the Guadeloupe-Cuban Friendship Association and the Committee of Solidarity with Central American and Caribbean Peoples founded on 29 June by 10 political, labor and social organizations in Guadeloupe. One of the main speakers was (Michel Vanguy), president of the Friendship Association. He was followed by the secretary general of the Committee of Solidarity, (Jean-Claude Lobichon). [Havana Domestic Service in Spanish 1600 GMT 30 Jul 82 FL]

GRENADA

BISHOP'S MOSCOW TRIP, AGREEMENTS REPORTED

FL301216 St Georges Domestic Service in English 0000 GMT 29 Jul 82

[Don Rojas report from Moscow -- recorded]

[Text] Lights blazing and cameras clicking away, the historic signing of party and government agreements between Grenada and the Soviet Union took place yesterday evening in a brief, impressive ceremony at the Kremlin in Moscow.

The agreements cover areas of cooperation between the two countries in the fields of trade, science, culture, planning and economics. Seven and a half million U.S. dollars in credit, repayable over 10 years at 3 percent interest and with a 3-year grace period, will finance the construction of a satellite earth station in Grenada and feasibility studies for an east coast port, improved water supply and sewage disposal systems.

The Soviet Union has agreed to give Grenada a gift of 1.5 million U.S. dollars which will cover the cost of a spray plane for agricultural use, 400 tons of flour, items of clothing and quantities of steel. In the area of trade, the Soviet Union has agreed to purchase, at stable prices, quantities of Grenadian cocoa and nutmegs over a 5-year period. And the Soviets have also agreed to consider carrying out feasibility studies in Grenada in the areas of irrigation and cement production.

A number of other projects were discussed during the official talks and profiles of these were left for further consideration by Soviet experts. Commenting on the agreements, Comrade Nikolay Tikhonov, a member of the Political Bureau of the CPSU and chairman of the Council of Ministers, said: We will facilitate the expansion of ties between our two countries and lend them a stable outward character in the interest of our two peoples.

Prime Minister Bishop said that the agreements would have strategic impact on further development of the Grenadian revolutionary process. The generous conclusions that we arrived at is another example of the internationalism of the CPSU, the USSR and your people, Comrade Bishop remarked.

Later in the evening, at the formal dinner in honor of the Grenada delegation, Comrade Tikhonov praised Grenadians as a proud, freedom-loving people who have made considerable headway in the short time that has passed since the victory of the Grenadian revolution. He said that the peace-loving foreign policy of Grenada, which has won prestige for our country far beyond the Caribbean, testifies to the fact that all countries, large, medium or small, can make a contribution to the common fight against the threat of war and for the consolidation of detente and equal international cooperation.

We resolutely condemn the policy of threats, provocations and blockades pursued by imperialism against your country, said the Soviet prime minister, and we consider that these [words indistinct] should be eradicated from the process of international relations. He added that today it is no longer possible for imperialists to dictate to poor countries what paths they should pursue and who should be their friends, because peoples more and more are becoming masters of their own destiny.

He said that the Soviet Union sees the main task facing mankind today as removing the military threat and to prevent imperialist forces from having another [words indistinct] arms race. The Soviet Union, he added, is persistently working to achieve agreements on the limitation and reduction of armaments, and, first of all, of strategic (?arms).

In his address, Prime Minister Bishop said that the victories of the Soviet people against facism, imperialism and counterrevolution demonstrated that no force exists in the world that can reverse the powerful current of revolutionary changes started by the Great October Socialist Revolution. We have learned from your experiences that once a revolution is firmly grounded in the working class and working people, with daily contact with them through their popular organs of power, and brings them material benefits and honestly works to solve their problems, we can be ensured of its continuity and purpose, he said.

The Grenandian leader noted that as a result of the victory of the Soviet Union over Nazi fascism, one of the main pillars of imperialism's might and wealth, the colonial system of boundless exploitation was shaken to its very roots. And the Soviet victory triggered a chain reaction which involved millions of people in the struggle to end colonialism. All former colonial peoples, he said, must be at least grateful for the strong and visible support that the Soviet people have given to the fight against colonialism and its [words indistinct] to the elimination of neocolonialism and poverty.

Comrade Bishop stated that March 13, 1979 saw a bright new dawn for the people of Grenada and the working people of the Caribbean. [Words indistinct] years of necolonial dictatorships which had left Grenadians in a most backward and underdeveloped social economic condition. However, in the 3 years since that date, the Grenadian working people, led by their vanguard, the New Jewel Movement, have set about the long and challenging task of national construction. Today we are posing a new people's democracy [words indistinct]. The process that we have (?commenced) will continue fundamentally to uphold our economic development and social progress and guide our country as we set out on the path from socialist orientations.

Both Comrade Bishop and Tikhonov agreed that the most [word indistinct] international issue facing mankind at this time is the preservation and strengthening of world peace and they both had harsh words of condemnation for the genocidal aggression by Zionist Israel and its patron, the United States, against the peoples of Lebanon and Palestine.

The Grenadin prime minister said that imperialism is making every effort to keep reactionary forces in Central American and the Caribbean in power by providing money, weapons and military advisers. But the revolution in Latin America and the Caribbean cannot be intimidated, he said. Our troubles have been [word indistinct] and all actions of sabotage and destabilization only serve to strengthen the determination of our people to succeed.

This morning the prime minister and his delegation visited a part in Moscow containing thousands of exhibits of Soviet economic, technological and scientific achievements. And then at noon, he answered questions at a press conference attended by 160 journalists from the Soviet Union and 25 countries with permanent correspondents in Moscow. Late in the afternoon the Grenadian delegation will end its visit to Moscow and then will leave for Leningrad, the city from where the Russian revolution was born in October of 1917.

BRIEFS

CUBAN SCHOLARSHIPS -- A total of 84 scholarships have been granted to Grenada by Cuba for the academic year 1982 through 1983. The scholarships include 20 at the university level and 24 at the middle level. The scholarships at the university level are in such fields as animal husbandry, agronomy, agricultural economics, pest control, communications and electronics, among others. The middle level include veterinary science, food technology, (?seafood) technology, nursing education, road construction and milk technology. [St Georges Domestic Service in English 2300 GMT 28 Jul 82]

STUDENTS TO USSR -- According to a release from the Ministry of Education, a total of 21 Grenadian students have been accepted to study in universities, technical colleges and secondary institutions in the Soviet Union. The students are expected to leave for the Soviet Union later this year. [St Georges Domestic Service in English 2300 GMT 28 Jul 82 FL]

PERU

TERRORIST ATTACKS; INTERIOR MINISTER COMMENTS

PY302206 Paris AFP in Spanish 1508 GMT 30 Jul 82

[Excerpts] Lima, 30 Jul (AFP) -- Five high-tension powerline towers have been blown up in Peru leaving various towns and villages in Arequipa Department, 1,000 km south of Lima, in darkness while other minor attacks in the capital city caused more concern than damage.

Last Wednesday terrorists simultaneously dynamited five high-tension powerline towers in Challapampa, 3 km outside of Arequipa, the second largest city in Peru, leaving various districts in total darkness, the police reported.

The attacks, which took place simultaneously in order to facilitate the flight of the perpetrators caused considerable damage but no casualties, the sources added.

Meanwhile, Interior Minister Gen (Ret) Jose Gagliardi has said that the government is implementing several measures to put an end to terrorism and reaffirmed that the instigators of these actions are foreign. He did not, however, say what the measures would be or nor did he name the country from which the terrorists come.

SURINAME

NAARENDORP DEFENDS CLOSE TIES WITH LEFTISTS

FL311915 Bridgetown CANA in English 1838 GMT 31 Jul 82

[Text] Paramaribo, Suriname, July 31, CANA -- Suriname's foreign minister, Dr Harvey Naarendorp, has strongly defended the close ties which the country's military backed government has with leftist Cuba, Grenada and Nicaragua.

Suriname's relations with the regions three leftist states have been the subject of much criticism here in the press and by private individuals.

Dr Naarendorp said such criticisms smacked of "a witch hunting campaign," and Suriname's relations with these three countries differed in no way with its ties with the Western world, the Netherlands, France, and West Germany, he asserted.

"There is nothing sinister about these relations (with Cuba, Nicaragua and Grenada). They are normal," the foreign minister told reporters.

He added that it was disappointing that the critics did not refer to his government's cooperation with Western countries, but only chose to mention its dealings with Grenada, Nicaragua and Grenada, where revolutionary governments are in office.

Dr Naarendorp said features of life in the three countries had earned the admiration of their severe critics.

He referred in particular to strides on the fields of education, medicine and industrial development made in all three states.

The Suriname foreign minister stressed that it was his government's policy not to interfere in the affairs of other states and likewise, it expected a similar stand by other governments.

Suriname's foreign relations are based on Third World solidarity, non-interference in the affairs of other countries and a respect for sovereignty, Dr Naarendorp stated.